



CABINET – 2 OCTOBER 2002

FINANCIAL REPORT FOR THE PERIOD APRIL 2002 TO AUGUST 2002

1 INTRODUCTION

- 1.1 This report sets out the forecast budget variations of all Portfolios and Committees from the approved original estimates for 2002/03.
- 1.2 Appendix 1 shows the current forecast and actuals to date for the General Fund. Appendix 2 shows the Capital expenditure position. Appendix 3 shows the figures for the Housing Revenue Account.
- 1.3 Cabinet approval is sought for all variations identified to date, but in addition, budget increases in excess of £20,000 must also be approved by Council at their next meeting.

2 GENERAL FUND (APPENDIX 1)

- 2.1 The new variations show an increase in net expenditure of £49,000, which together with previously reported items results in an overall increase in the net budget of £54,000.
- 2.2 The major variations are listed below but full details are set out in Appendix 4.

| | £'000 |
|------------------------------------|-----------|
| NEW VARIATIONS | |
| Holding Accounts: | |
| - Payroll | 15 |
| - Fordingbridge Information Office | -13 |
| Highways Agency Services | 16 |
| Abandoned Vehicles | 12 |
| Waste Management & Recycling | 20 |
| Development Control & Enforcement | -14 |
| Other | <u>13</u> |
| | <u>49</u> |

3 CAPITAL EXPENDITURE (APPENDIX 2)

3.1 Other Services

- 3.1.1 The new variations show a net decrease in 2002/03 expenditure of £195,000. Cumulative forecast variations will result in a net increase of £1,333,000.

3.1.2 The decrease of £195,000 is summarised below but full details are shown in Appendix 5.

| | £'000 |
|--|-------------|
| NEW VARIATIONS | |
| Corporate & Finance | |
| - Rephasing | -201 |
| - Claymeadow Depot Drainage | 20 |
| Environment – Lymington Quay Wall & Surfaces | -64 |
| Leisure – Rephasing | 2 |
| Leisure Developers Contributions | |
| - Marchwood Skatepark Facility | <u>48</u> |
| | <u>-195</u> |

3.2 Housing

3.2.1 There are no new variations to report.

4 HOUSING REVENUE ACCOUNT (APPENDIX 3)

4.1 The variations show a decrease in net expenditure of £35,000.

4.2 The new variations have occurred in Supervision & Management as follows:

| | £'000 |
|---|------------|
| Housing Management – Deletion of contract variation budget | -30 |
| Reduction in printing requirements | <u>-5</u> |
| | <u>-35</u> |

5 CRIME AND DISORDER IMPLICATIONS

5.1 There are no crime and disorder implications arising directly from this report.

6 ENVIRONMENTAL IMPLICATIONS

6.1 There are no environmental implications arising directly from this report.

7 RECOMMENDATIONS

7.1 It is recommended that Members:-

a) approve the revised General Fund budget as set out in Appendix 1.

- b) approve the revised capital expenditure as set out in Appendix 2 and recommend Council to approve £48,000 for the Marchwood Skatepark Facility.
- c) approve the revised Housing Revenue Account as set out in Appendix 3.

For Further Information Contact

Kevin Green
Accountancy Manager
Town Hall
Telephone: 023 80285715
e-mail: kevin.green@nfde.gov.uk

New Variations – General Fund Revenue Expenditure

£000

1. Corporate & Finance – Holding Accounts

Payroll – Additional costs have been incurred employing a payroll specialist to cover long-term sickness, process the pay award and deal with outstanding project-based work.

15

Information & Communications Technology – Due to the introduction of a new computerised bookings system at Recreation Centres, a new role has been established in IT to administer the system. This is to be funded through a budget virement from Leisure (Reported to CMT 9/7/02 C).

8

Fordingbridge Information Office – The relocation of the Fordingbridge Information Office has been deferred for consideration as part of the overall expenditure planning process. There is however a saving of £13,130 in rent and running costs in the current year.

-13

TOTAL VARIATIONS

10

2. Economy and Planning

Highways Agency Services – A vigorous inspection and enforcement regime has encouraged statutory undertakers (utilities companies) to improve the quality of their trench reinstatements. As a result, far fewer defective reinstatements are being identified and only a few default inspections are now carried out. Statutory undertakers pay NFDC direct for these default inspections so income is expected to reduce by £16,000.

16

TOTAL VARIATIONS

16

3. Environment

Abandoned Vehicles – For the first 6 months of this financial year, we will have disposed of approximately 50 more abandoned vehicles than last year. As well as the growth in numbers, the amount of waste materials left in vehicles has also increased. This has resulted in the Council being left responsible for the removal of items such as tyres and asbestos. The general increase in awareness of abandoned vehicles has also meant that the contractor has been called to a greater number of vehicles, that have later been proven not to be abandoned.

12

Cemeteries – The burial trend for the last 3 years indicates a reduction in the number of interments taking place. Therefore a reduction in income of £5,000 is forecast.

5

| | £000 |
|--|-------------------|
| Pest Control – Income generated from treatments, other than domestic rodents, was originally budgeted at £48,000. Due to the reduction from 4 pest control officers to 3, it is anticipated that there will be a shortfall in income of approximately £8,000. | 8 |
| Waste Management & Recycling – A supplementary estimate of £19,600 was approved by Cabinet on 4 Sept 02. The supplementary estimate will enable the operation of a second clinical waste collection vehicle in order that low grade clinical waste can be collected through the Council’s clinical waste collection service. | 20 |
| TOTAL VARIATIONS | <u>45</u> |
| 4. Leisure | |
| Due to the introduction of a new computerised bookings system at Recreation Centres, a new role has been established in IT to administer the system. This is to be funded by a budget virement from Leisure (Reported to CMT 9 July 02 C) | -8 |
| TOTAL VARIATIONS | <u>-8</u> |
| 5. Planning Development Control | |
| Development Control & Enforcement – Additional income of £14,000 has been received for this service. This follows a number of enforcement notice appeals being taken to high court and the decisions falling in favour of NFDC. | -14 |
| TOTAL VARIATIONS | <u>-14</u> |
| TOTAL ALL VARIATIONS | <u>49</u> |

APPENDIX 5

New Variations – Other Services Capital Expenditure

£000

1. Corporate and Finance

Rephasing into 2003/04:

Appletree Court – Refurbishment of Heating Systems -225

Rephasing from 2001/02:

Town Hall, Lymington – Racking and Shelving 3

New Milton Offices -7

Marsh Lane Depot

- Repairs to Drains 5

- Replace Asbestos gutting 3

- Electrical Testing Works 3

- Improvements and Redecorations 3

- Fuel Tank Wall Repairs 7

- Upgrade CCTV System 5

Catering – Equipment Replacement Programme 2

-201

Claymeadow Depot – Drainage

An incident of vandalism resulted in fuel escaping from the fuel and chemical storage facilities. A site inspection has shown the need for works to be done to ensure that the risk of future pollution is minimalised (Reported to CMT 13 Aug 02 A).

20

TOTAL VARIATIONS

-181

2. Environment – Coast Protection & Other

Lymington Quay Wall & Surfaces and Principal Environmental Enhancements – It was announced orally at the Environment Review Panel on 12th September 2002, that due to a costing error, the supplementary estimate of £64,000 reported to the Environmental Review Panel on 11th July 2002 will now not be needed. This will have no effect on the Council's available capital resources as £22,000 for Lymington Quay Wall and Surfaces would have been met by Government and HCC grant and £42,000 for the Principal Environmental Enhancements scheme would have received an allocation of supplementary credit approval.

-64

TOTAL VARIATIONS

-64

| | £000 |
|---|-------------|
| 3. Leisure | |
| Rephasing from 2001/02: | |
| Applemore Recreation Centre – Statutory Disability Act | -5 |
| Totton Recreation Centre – Fitness Suite Extension | 7 |
| TOTAL VARIATIONS | <u>2</u> |
| 4. Leisure – Developers Contributions | |
| Marchwood – Skatepark Facility | |
| On 5 June 2002, Cabinet approved the allocation of £48,000 from Developers Contributions to enable the construction of a skatepark facility at Cork Field, Marchwood (Report G; Minute 11). | 48 |
| TOTAL VARIATIONS | <u>48</u> |
| TOTAL ALL VARIATIONS | <u>-195</u> |