



## FINANCIAL REPORT FOR THE PERIOD APRIL 2002 TO NOVEMBER 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 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 £46,000, which together with previously reported items results in an overall decrease in the net budget of £228,000.

- 2.2 The major variations are listed below but full details are set out in Appendix 4.  
£'000

#### NEW VARIATIONS

Building Control	-16
Public Conveniences	-10
Refuse and Recycling	63
Tourism	18
Other	<u>-9</u>
	<u>46</u>

- 2.3 The supplementary estimate of £63,000 is required for Refuse and Re-cycling is to redress the shortfall in the budget as the result of an error in programming the Stores System.
- 2.4 In 1999, the Council's computer systems were assessed to address the issue of the 'year 2000' problem. To ensure that programmes continued to function, some reprogramming was required; unfortunately the work undertaken on the stores system introduced an error that led to under-costing on a number of items, mostly markedly, because of their high turnover, on the cost of plastic sacks and fuel.
- 2.5 Partly as a result of this under pricing of stock, savings in these supplies were identified and included in the 2002/03 budget. In that year, the under-costing was partly offset by New Forest Commercial Services surplus, the remaining 'loss' being paid for from that their reserve.

2.6 This problem only came to light after the current year's budget had been fixed. The computer programme has now been altered to correct the error and show the true costs but there is now a shortfall in budgets of plastic sacks of £17,900 and fuel of £45,500.

### 3 CAPITAL EXPENDITURE (APPENDIX 2)

#### 3.1 Other Services

3.1.1 The new variations show a net decrease in 2002/03 expenditure of £1,872,000. Cumulative forecast variations will result in a net increase of £302,000.

3.1.2 The decrease of £1,872,000 is summarised below but full details are shown in Appendix 5.

<b>NEW VARIATIONS</b>	£'000
Rephasing into 2003/04:	
Economy and Planning – Cycle Route	-42
Environment Coast Protection – Christchurch Bay	-21
Environment Other – Fordingbridge Preliminary Study	-25
Leisure – Hangar Farm	-170
Leisure Developers Contributions – Hangar Farm	-1,459
Rephasing into 2004/05:	
Leisure – Ringwood Recreation Centre	-158
Rephasing from 2003/04:	
Environment Coast Protection – Western Solent	4
Environment Other:	
Land Drainage – Watercourse Imp. Friars Walk	-1
	<b>-1,872</b>

3.2 The impact on the Council's own capital resources is a reduction of £1,000, having taken account of re-phasing of some schemes between financial years, virement between schemes and use of developers' contributions.

#### 3.3 Housing

3.3.1 There are no new variations to report.

### 4 HOUSING REVENUE ACCOUNT (APPENDIX 3)

4.1 The new variations show a decrease in net expenditure of £94,000.

4.2	The variations are as follows:	£'000
	Repairs & Maintenance	
	Cyclical – A projected overspend of £60,000 is due to the catching up on projects from 2001/02, which could not be completed due to recruitment difficulties	60
	Responsive – Current demand levels will result in an underspend of £149,000. This could however be reduced in the event of a severe winter	-149
	Supervision & Management – General Management	
	Additional cost of audit maintenance review	3
	Vacant clerical assistants post	-5
	Reduction in training and furniture cost	<u>-3</u>
		<u>-94</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 approve:

- a) the revised General Fund budget as set out in Appendix 1 and recommend Council to approve supplementary estimates for £63,000 additional expenditure on fuel and sacks within Refuse and Recycling, and £18,000 for Tourism due to reduced income;
- b) the revised capital expenditure as set out in Appendix 2;
- c) the revised Housing Revenue Account as set out in Appendix 3 and recommend Council to approve a supplementary estimate of £60,000 increased expenditure on cyclical repairs and maintenance.

### For Further Information Contact

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**FORECAST GENERAL FUND REVENUE EXPENDITURE 2002/03**  
**FOR THE PERIOD APRIL 2002 TO NOVEMBER 2002**

	Original Estimate £000s	Previous Variations £000s	New Variations £000s	Original to Forecast Variations	Forecast Budget £000s
Corporate & Finance - Direct	5,787	-41	-12	-53	5,734
Corporate & Finance - Holding	0	-21	0	-21	-21
Crime & Disorder	430	0	0	0	430
Economy & Planning	2,474	-3	-16	-19	2,455
Environment	7,898	137	54	191	8,089
Housing	1,383	-33	0	-33	1,350
Health & Social Exclusion	122	0	0	0	122
Leisure	3,653	405	16	421	4,074
General Purposes & Licensing	440	14	4	18	458
Planning Development Control	983	-34	0	-34	949
Asset Rental Income	-3,767	-548	0	-548	-4,315
<b>Net Expenditure</b>	<b>19,403</b>	<b>-124</b>	<b>46</b>	<b>-78</b>	<b>19,325</b>
Capital Financing Provision	250	0	0	0	250
Interest Earnings	-850	-150	0	-150	-1,000
Transfer to(from) DSO reserve	-180	0	0	0	-180
Transfer to(from) Cap. Fin. res.	-103	0	0	0	-103
<b>Net Financing</b>	<b>-883</b>	<b>-150</b>	<b>0</b>	<b>-150</b>	<b>-1,033</b>
Transfer to(from) Gen. Fund Bal.	0	274	-46	228	228
<b>TOTAL REVENUE</b>	<b>18,520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,520</b>

**FORECAST CAPITAL EXPENDITURE 2002/03**  
**FOR THE PERIOD APRIL 2002 TO NOVEMBER 2002**

	Original Estimate £000s	Previous Variations £000s	New Variations £000s	Original to Forecast Variations	Forecast Budget £000s
Corporate & Finance	1,020	-430	0	-430	590
Crime & Disorder	358	207	0	207	565
Economy & Planning	768	-241	-42	-283	485
(Env) Coastal Protection	962	157	-17	140	1,102
Environment	586	179	-26	153	739
Leisure	819	494	-328	166	985
Leisure - Developers Contrib.	200	1,808	-1,459	349	549
<b>Subtotal Other Services</b>	<b>4,713</b>	<b>2,174</b>	<b>-1,872</b>	<b>302</b>	<b>5,015</b>
Housing - Public Sector	500	0	0	0	500
Housing - Private Sector	3,541	-13	0	-13	3,528
<b>Subtotal Housing</b>	<b>4,041</b>	<b>-13</b>	<b>0</b>	<b>-13</b>	<b>4,028</b>
<b>TOTAL CAPITAL</b>	<b>8,754</b>	<b>2,161</b>	<b>-1,872</b>	<b>289</b>	<b>9,043</b>

**FORECAST HOUSING REVENUE ACCOUNT EXPENDITURE 2002/03**  
**FOR THE PERIOD APRIL 2002 TO NOVEMBER 2002**

	Original Estimate £000s	Previous Variations £000s	New Variations £000s	Original to Forecast Variations	Forecast Budget £000s
Repairs & Maintenance	8,582	0	-89	-89	8,493
Supervision & Management	4,168	-35	-5	-40	4,128
Other	11,575	0	0	0	11,575
Revenue Cont. to Cap. Exp.	500	0	0	0	500
<b>Total Expenditure</b>	<b>24,825</b>	<b>-35</b>	<b>-94</b>	<b>-129</b>	<b>24,696</b>
Rent Income	-16,927	0	0	0	-16,927
Other Income	-7,020	0	0	0	-7,020
<b>Total Income</b>	<b>-23,947</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-23,947</b>
<b>Sub-total Variations</b>	<b>878</b>	<b>-35</b>	<b>-94</b>	<b>-129</b>	<b>749</b>
<b>Deficit/Surplus(-)</b>	<b>878</b>	<b>-35</b>	<b>-94</b>	<b>-129</b>	<b>749</b>

**New Variations – General Fund Revenue Expenditure**

£000

**1. Corporate & Finance – Direct**

Corporate and Democratic Core – Savings of £8,000 have been identified due to the quarterly bank service charge being re-negotiated. However, this has been offset by additional costs of £1,000 from other service providers through higher volume collections.

-7

Public Relations – Due to negotiations with New Forest District Council partners in the Forest News publication, income has been received from three organisations as a contribution towards costs.

-5

**TOTAL VARIATIONS**

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**-12**

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**2. Economy and Planning**

Building Control – The net saving of £16,000 is made up of additional income received of £20,000, offset by an increase in hired and contracted costs of £4,000. Both increases are due to the additional volume of applications received to date.

-16

**TOTAL VARIATIONS**

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**-16**

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**3. Environment**

Public Conveniences – A £10,000 saving is expected for this service on reactive maintenance and vandalism repairs. This is mainly due to the effectiveness of the refurbishment and rebuild programme and partly due to the over-night locking of the public conveniences in those areas prone to vandalism.

-10

Refuse and Recycling – During changes to the stores computer system, a fault was inadvertently programmed into the stores accounts, which led to an undercosting on a number of items, predominantly on the cost of plastic sacks and fuel. The computer programme has now been altered to show the true costs. There is now an estimated shortfall in the budgets of £45,500 (fuel) and £17,900 (sacks), as budgets were reduced in previous years.

63

Waste Management & Recycling – Additional expenditure has been incurred on the provision of hard standings for wheeled containers at some of the recycling centres. In addition, there has been greater than anticipated expenditure on vandalism and arson repairs to recycling containers. The majority of these costs have been contained within existing budgets, leaving an overspend of £3,000.

3

£000

Waste Management and Recycling – The charge for clinical waste sacks was increased from £1.90 per sack to £4 per sack on 1 April 2002. This was due to a large increase in the cost of disposing of clinical waste. It was anticipated that the 210% increase in the charge for clinical waste sacks would result in a loss of many customers, but this has not been the case. The net saving of £2,000 is made up of additional income of £21,000 offset by a £19,000 overspend on the disposal budget.

-2

**TOTAL VARIATIONS**

**54**

**4. Leisure**

Tourism:

This season, Ringwood and Lymington Visitor Centres have become agencies for National Express, selling tickets and other products at 10% commission. Initially Ringwood was one of two agents in the town, but following closure of the other vendor it is now the sole agent. At Lymington, the agency work is shared with two other outlets. Anticipated commission is £8,000.

-8

Due to increased customer demand resulting from the Tourism marketing programme, postage costs for the Where to Stay Guide will overspend by £6,000.

6

The following tourism income budgets will not be achieved this year for the following reasons:

Community Tourism (£9,000) – Although we are investigating a model funding structure for Visitor Information Points via the Milford-on-Sea Community Tourism Group (CTG), it has been impossible to establish agreements with other CTGs for a number of reasons, either because they are currently not operational, there have been personnel changes in each group or there are other priorities within each group. This proposal has become far more complicated to deliver than originally envisaged.

E-commerce (£6,500) – As reported to Leisure Review Panel on 15 October 2002, the after effects of September 11<sup>th</sup> have continued to increase non-investment in our innovative projects such as e-commerce and merchandising.

Calendar (£2,500) – Pressure of work on the Tourism Marketing Manager has meant that it has not been possible to initiate this project in the current financial year.

18

**TOTAL VARIATIONS**

**16**



£000

**5. General Purposes & Licensing**

Registration of Electors – This £4,000 represents a shortfall in income from the sale of the register of electors, as a result of new regulations governing the availability of the full register.

4

**TOTAL VARIATIONS**

4

**TOTAL ALL VARIATIONS**

46

## APPENDIX 5

### New Variations – Other Services Capital Expenditure

£000

#### 1. Economy and Planning

Cycle Route Stopples Lane Hordle – The majority of this scheme has been rephased into 2003/04, due to staff time being taken up working on other schemes, where unprogrammed additional works have been identified.

-42

#### **TOTAL VARIATIONS**

**-42**

#### 2. Environment – Coast Protection

Coastal Strategy Plan:

Christchurch Bay – £21,000 of this scheme has been rephased into 2003/04, due to the timing of a new technique being used to assess cliff recession rates along the study frontage.

-21

Western Solent - £4,000 has been brought forward from 2003/04 due to fees incurred in the preparation and submission of the application to DEFRA.

4

#### **TOTAL VARIATIONS**

**-17**

#### 3. Environment – Other

Land Drainage Schemes:

Watercourse Imp. Friars Walk – This £1,000 saving reflects the latest estimate for this scheme.

-1

Fordingbridge Preliminary Study – This capital scheme has been rephased into 2003/04, due to staff time being taken up working on other schemes, where unprogrammed additional works have been identified.

-25

#### **TOTAL VARIATIONS**

**-26**

#### 4. Leisure

Ringwood Recreation Centre – Wet/Dry Change Refurbishment:

This scheme has been rephased into 2004/05, due to ongoing discussions with Ringwood School about the design of the schemes.

-158

Dual Use - Hangar Farm, Totton:

This scheme has been rephased into 2003/04.

-170

#### **TOTAL VARIATIONS**

**-328**

## **5. Leisure – Developers Contributions**

Open Space / Community Facilities– Hangar Farm, Totton:  
This scheme has been rephased into 2003/04.

-1,459

**TOTAL VARIATIONS**

**-1,459**

**TOTAL ALL VARIATIONS**

**-1,872**