

CABINET – 4 FEBRUARY 2004

FINANCIAL REPORT – FORECAST FULL YEAR AND ACTUAL FOR THE PERIOD APRIL 2003 TO NOVEMBER 2003

1. INTRODUCTION

- 1.1 This report set out the forecast budget variations of all Portfolios and Committees from the approved original estimates for 2003/04.
- 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, 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 Total new variations to November 2003 show an estimated reduction in net expenditure for the full year of £35,000.
- 2.2 The major variations are listed below, but full details are set out in Appendix 1.

NEW VARIATIONS	£'000
Recreation Centres (Leisure)	160
Public Relations (Corporate & Finance)	10
Corporate and Democratic Core (Corporate & Finance)	69
Benefits Administration (Corporate & Finance)	-50
Highways Agency Services (Economy & Planning)	15
Economic Development (Economy & Planning)	-20
Refuse Collection & Street Cleansing (Env)	-30
Coast Protection (Env)	-10
Abandoned Vehicles (Env)	-10
Car Parks (Economy & Planning)	-20
Stillwater Park (Housing)	22
Tax and Benefits (Corp & Fin Hold A/c)	-65
Accountancy (Corp & Fin Hold A/c)	-20
Assistant Director of Housing (Corp & Fin Hold A/c)	-20
Commercial Services	-70
Other	4
TOTAL	<u>-35</u>

- 2.3 Appendix 1 shows that actual expenditure at the end of November is £501,000 below the profiled budget expenditure. Included within this however are commitments of £438,000.

3 CAPITAL EXPENDITURE (APPENDIX 2)

3.1 Other Services (Excluding Housing)

3.1.1 New variations show an increase in 2003/04 expenditure of £72,000, but excluding items of rephasing, virement, developers' contributions and external funding, there is no call on the Council's capital resources.

3.1.2 The increase of £72,000 is summarised below, but full details are shown in Appendix 2.

NEW VARIATIONS	£'000
Totton Town Centre (Economy & Planning)	-100
Coastal Strategy Plan Christchurch Bay (Environment)	-60
Coastal Strategy Plan Western Solent (Environment)	-105
Marchwood Youth Centre (Leisure)	-55
Developers Contributions (Leisure)	
Bartley Park	-10
Hangar Farm	551
Hythe Promenade	-128
Other	-21
	72

3.1.3 The table below provides an overview of the funding implications of the variations.

IMPACT ON CAPITAL RESOURCES	£'000
Delayed to 2004/05	-469
Variations to be funded from Developers' Contributions	-10
Brought forward from 2004/05	551
	72

3.2 Housing

3.2.1 There are no new variations to report.

4 HOUSING REVENUE ACCOUNT (APPENDIX 3)

4.1 There are no new variations to report.

4.2 Appendix 3 shows that actual net expenditure at the end of November is £239,000 above the profiled budget expenditure, but this principally reflects variations in the timing of expenditure and income.

5 COMMERCIAL SERVICES

5.1 The net surplus for Commercial Services for the period April to November 2003 was £129,336. The estimated allocation of this is £51,439 to the General Fund and £77,897 to the Housing Revenue Account.

6 CRIME AND DISORDER IMPLICATIONS

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

7 ENVIRONMENTAL IMPLICATIONS

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

8 RECOMMENDATIONS

8.1 It is recommended that Members:-

- a) approve the revised General Fund budget as set out in Appendix 1 and recommend Council to approve supplementary estimates of:
 - £22,000 increase in costs for Stillwater Park
 - £160,000 increase in Leisure budgets
- b) approve the revised capital expenditure as set out in Appendix 2.
- c) approve the revised Housing Revenue Account as set out in Appendix 3.
- d) note the financial position of Commercial Services as set out in Paragraph 5 of the report;
- e) note the actual expenditure to profiled budget positions of the General Fund and Housing Revenue Account as set out in Appendices 1 and 3.

For Further Information Contact

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**FORECAST GENERAL FUND FULL YEAR REVENUE
EXPENDITURE 2003/04
AND ACTUAL FOR THE PERIOD APRIL 2003 TO NOVEMBER 2003**

	FULL YEAR FORECAST					ACTUAL TO NOVEMBER			
	Original Budget £000s	Previous Variations £000s	New Variations £000s	Forecast Outturn £000s	New Variation Note	Profiled Budget £000s	Actual to November £000s	Actual to Profiled £000s	% of Profile Spent
Corporate & Finance – Direct	5246	229	29	5504	1	3412	3367	-45	99
Corporate & Finance – Holding	-269	-7	-105	-381	2	349	393	44	113
Crime & Disorder	416	10	3	429	3	288	310	22	108
Economy & Planning	2183	280	-28	2435	4	1491	1370	-121	92
Environment	5504	-89	-50	5365	5	3506	3316	-190	95
Housing	1443	-20	17	1440	6	955	911	-44	95
Health & Social Inclusion	1458	14	0	1472		942	907	-35	96
Leisure	2563	-14	160	2709	7	1975	1849	-126	94
General Purposes & Licensing	573	11	9	593	8	460	454	-6	99
Planning Development Control	938	42	0	980		604	604	0	100
Service Expenditure	20055	456	35	20546		13982	13481	-501	96
Interest Earnings	-800	120	0	-680					
Net Expenditure	19255	576	35	19866					
Transfer to (from) DSO reserve			-70	-70	9				
Transfer to (from) Cap. Fin. res.	-115			-115					
Transfer to (from) Gen. Fund Bal.	-72	-576	35	-613					
TOTAL REVENUE	19068	0	0	19068					

Note: Asset Rental figures are excluded from the table above

New Variations – General Fund Revenue Expenditure

£000

1. Corporate & Finance – Direct

Public Relations – This reflects an increase in External Writer costs required to cope with increased public relations demands

10

Corporate and Democratic Core – This reflects the increase in Members' allowances approved by Council on 27/10/03

69

Benefits Administration – A budget of £100,000 was allocated for set up costs associated with the implications of Working Tax Credits and Pension Credits. Savings of £50,000 are anticipated on this budget.

-50

29

2. Corporate & Finance – Holding

Tax and Benefits – Savings of £65,000 are anticipated in the Tax and Benefits business unit, being £40,000 on salaries, £20,000 on postages and £5,000 on stationery.

-65

	£000
Accountancy – Due to staff vacancies, savings of £20,000 have resulted in the Accountancy Section.	-20
Assistant Director of Housing – Due to the reimbursement of costs from a Housing Association in lieu of the secondment of the Assistant Director of Housing, there will be a saving of £20,000 in employee costs,	-20
	<u>-105</u>
3. Crime & Disorder	
CCTV – A virement of £3,000 from the car parks budget has been necessary as staff time has been utilized on traffic management issues. Consultants have been appointed to deal with contractual problems regarding CCTV.	3
	<u>3</u>
4. Economy & Planning	
Car Parks – A virement of £3,000 to the CCTV budget has been necessary as staff time has been utilised on traffic management issues. Consultants have been appointed to deal with contractual problems regarding CCTV.	-3
Highways Agency Services- Due to the continuing decline in the amount of major building works being carried out within the District, road adoption income is estimated to reduce by a further £5,000 in 2003/04. In addition, Hampshire County Council's final settlement for 2002/03 was £10,000 less than anticipated due to a reduction in staffing allocations, as services were being carried out by HCC rather than NFDC.	15
Car Parks – Additional car park meter income of £20,000 has been received due to the fair weather during the Amenity charging season.	-20
Economic Development – Further savings of £20,000 have been identified, as a result of the delay in filling staff vacancies £8,000 and the initiatives undertaken by those posts £12,000.	-20
	<u>-28</u>
5. Environment	
Abandoned Vehicles – Saving due to a reduction in the number of abandoned vehicles and contract savings regarding the removal of these vehicles.	-10
Coast Protection – Savings of £10,000 have been identified in the Coast Protection maintenance budget.	-10
Refuse Collection and Street Cleansing – Savings of £30,000 in fuel for Refuse Collection and Street Cleansing are due to reduced fuel consumption and anticipated price increases in 2003/04 not materialising.	-30
	<u>-50</u>
6. Housing	
Homeless Assistance – Reduced costs of private sector leasing voids are projected to lead to an underspend of £5,000.	-5
Stillwater Park – This reflects the costs to the Council of the reimbursement of Co-operative costs incurred in the abortive purchase of the site.	22
	<u>17</u>

£000

7. Leisure

A review of the recreation centres financial position to date has identified an anticipated budget shortfall of £160,000. This is due to a shortfall in income of £122,000, and overspends of £148,000 in employees and £67,000 in supplies and services. The overspends are offset by savings in leasing costs of £51,000 and premises costs of £126,000

160160**8. General Purposes and Licensing**

Public Entertainment Licences – On 12 September 2003 General Purposes and Licensing Committee approved a supplementary estimate of £4,340 for the purchase of new IT software and hardware, to implement changes in the way that liquor and public entertainment licences are administered. Also approved was £4,220 for temporary staffing.

99

9. Commercial Services – Paragraph 5.1 of the report identifies a surplus of £129,336 for the year to 30 November. The estimated proportion allocable to the General Fund is £51,439. This is predicted to rise to £70,000 by the end of the financial year.

-70**TOTAL ALL NEW VARIATIONS (REVENUE)**-35

Previously Reported Variations – General Fund Revenue Expenditure

	£000
1. Corporate & Finance – Direct	
Adjustment in previous report	133
Cabinet – 3 December 2003	96
	<u>229</u>
2. Corporate & Finance – Holding Accounts	
Cabinet - 6 August 2003	101
Adjustment in previous report	-136
Cabinet – 1 October 2003	23
Cabinet – 3 December 2003	5
	<u>-7</u>
3. Crime & Disorder	
Cabinet - 6 August 2003	3
Adjustment in previous report	-2
Cabinet – 3 December 2003	9
	<u>10</u>
4. Economy & Planning	
Cabinet - 6 August 2003	249
Cabinet – 1 October 2003	54
Cabinet – 3 December 2003	-23
	<u>280</u>
5. Environment	
Cabinet - 1 October 2003	-112
Cabinet – 3 December 2003	23
	<u>-89</u>
6. Housing	
Cabinet - 3 December 2003	-20
	<u>-20</u>
7. Health & Social Inclusion	
Cabinet - 3 December 2003	14
	<u>14</u>
8. Leisure	
Cabinet - 6 August 2003	4
Adjustment in previous report	5
Cabinet - 1 October 2003	-52
Cabinet – 3 December 2003	29
	<u>-14</u>
9. General Purposes & Licensing	
Cabinet - 3 December 2003	11
	<u>11</u>
10. Planning Development Control	
Cabinet – 6 August 2003	70
Cabinet – 3 December 2003	-28
	<u>42</u>
11. Interest Earnings	
Cabinet – 1 October 2003	120
	<u>120</u>
TOTAL PREVIOUSLY REPORTED	<u>576</u>

**FORECAST FULL YEAR CAPITAL EXPENDITURE 2003/04
AND ACTUAL FOR THE PERIOD APRIL 2003 TO November 2003**

	FULL YEAR FORECAST					ACTUAL TO NOVEMBER			
	Original Budget £000s	Previous Variations £000s	New Variations £000s	Forecast Outturn £000s	New Variation Notes	Profiled Budget £000s	Actual to November £000s	Actual to Profiled £000s	Actual to Profiled %
Corporate & Finance	782	105	0	887			339		
Crime & Disorder	11	22	0	33			0		
Economy & Planning	449	0	-113	336	1		198		
Environment	828	240	-3	1065	2		535		
Env (Coastal Protection)	876	489	-165	1200	3		585		
Leisure	736	366	-55	1047	4		555		
Leisure – Developers Contrib.	1468	-230	408	1646	4		303		
Subtotal Other Services	5150	992	72	6214			2515		
Housing – Public Sector		118	0	118			79		
Housing – Private Sector	3255	-584	0	2671			1044		
Subtotal Housing	3255	-466	0	2789			1123		
TOTAL CAPITAL	8405	526	72	9003			3638		

New Variations – Capital Expenditure

1. Economy & Planning

Fordingbridge Town Centre - A proportion of this capital scheme has been rephased into 2004/05, due to staff shortages.

Totton Town Centre – This budget has been rephased into 2004/05 to coincide with funding from Hampshire County Council, Southampton Area Transport Strategy and Regeneration of Older Urban Areas.

Cycle Route, Stopples Lane Hordle – Work is continuing on achieving a legal agreement with a landowner. This situation has delayed the progress of the scheme and £5k has therefore been rephased into 2004/05.

2. Environment

Lyndhurst Flood Relief Scheme – The works have been delayed while approval for additional expenditure has been sought from DEFRA and NFDC. The works will now be carried out between January and March 2004, but some fee expenditure relating to final accounts has been rephased into 2004/05.

£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTA
	-8		
	-100		-10
	-5		
	-113		-11
	-3		
	-3		

APPENDIX 2

	£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTA
3. Environment – Coastal Projection				
Coastal Strategy Plan Christchurch Bay – Rephasing of £60k has become necessary as DEFRA now require a more detailed justification of schemes, delaying work on this scheme.		-60		-6
Coastal Strategy Plan Western Solent – For the same reasons outlined above the rephasing of £105k of expenditure is required.		-105		-10
		-165		-16
3. Leisure				
Marchwood Youth Centre – This scheme has been rephased with implementation over 2 years, starting in 2004/05.		-55		-5
Developers Contribution Schemes:				
Bartley Park -The project has now been completed and £10k of developers contributions will not be required.			-10	-1
Open Space Schemes / Community Facilities – The following adjustments have to be made to the phasing of schemes:		418		41
Hythe Promenade £128k rephase to 2004/05				
Rushington Amenity Land £5k rephase to 2004/05				
Hangar Farm £551k bring forward to 2003/04 (£1,051k had previously been rephased to 2004/05, but the scheme has now progressed more rapidly)				
		363	-10	35
TOTAL VARIATION (CAPITAL – OTHER SERVICES)		82	-10	7
TOTAL VARIATION (CAPITAL – HOUSING)				
TOTAL CAPITAL EXPENDITURE VARIATION		82	-10	7

Previously Reported Variations – Capital Expenditure

	£000
1. Corporate & Finance	
Cabinet - 6 August 2003 - Slippage	105
	<u>105</u>
2. Crime & Disorder	
Cabinet - 6 August 2003 - Slippage	22
	<u>22</u>
3. Economy & Planning	
Cabinet - 6 August 2003 - Slippage	84
Cabinet - 1 October 2003	-200
Cabinet - 3 December 2003	116
	<u>0</u>
4. Environment	
Cabinet - 6 August 2003 - Slippage	382
Cabinet - 6 August 2003 - Variation	-100
Cabinet - 1 October 2003	15
Cabinet - 3 December 2003	-57
	<u>240</u>
5. Environment – Coastal Protection	
Cabinet - 6 August 2003 - Slippage	605
Cabinet - 6 August 2003 - Variation	-116
	<u>489</u>
6. Leisure	
Cabinet - 6 August 2003 - Slippage	364
Cabinet - 6 August 2003 - Variation	2
	<u>366</u>
7. Leisure – Developers' Contributions	
Cabinet - 6 August 2003 - Slippage	112
Cabinet - 6 August 2003 - Variation	659
Cabinet - 1 October 2003	50
Cabinet - 3 December 2003	-1051
	<u>-230</u>
SUBTOTAL OTHER SERVICES	<u>992</u>
8. Housing Public Sector	
Cabinet - 6 August 2003 - Slippage	113
Cabinet - 1 October 2003	5
	<u>118</u>
9. Housing Private Sector	
Cabinet - 6 August 2003 - Slippage	-524
Cabinet - 3 December 2003	-60
	<u>-584</u>
SUBTOTAL HOUSING	<u>-466</u>
TOTAL PREVIOUSLY REPORTED – ALL CAPITAL SCHEMES	<u>526</u>

**FORECAST FULL YEAR HOUSING REVENUE ACCOUNT
EXPENDITURE 2003/04
AND ACTUAL FOR THE PERIOD APRIL 2003 TO NOVEMBER 2003**

	FULL YEAR FORECAST					ACTUAL TO NOVEMBER			
	Original Budget £000s	Previous Variations £000s	New Variations £000s	Forecast Outturn £000s	New Variation Note	Profiled Budget £000s	Actual to November £000s	Actual to Profiled £000s	Actual to Profiled %
Reactive Maintenance	2342	58	0	2400		1600	1661	61	104
Cyclical Maintenance/DFG	1327	0	0	1327		885	1125	240	127
Supervision & Management	4297	165	0	4462		2952	2951	-1	100
Rent Rebates	10078	-738	0	9340		6226	6226	0	100
Revenue Cont. to Cap. Exp.	372	0	0	372		248	248	0	100
Capital Financing Costs	915	0	0	915		610	610	0	100
Depreciation	3214	0	0	3214		2143	2143	0	100
Other Expenditure	53	0	0	53		43	27	-16	63
Capital Expenditure charged To Revenue	0	118	0	118		118	79	-39	67
Total Expenditure	22598	-397	0	22201		14825	15070	245	102
Dwelling Rent Income	-16622	0	0	-16622		-11082	-11091	-9	100
Other Rent Income	-457	0	0	-457		-305	-304	1	100
Service Charge Income	-1115	0	0	-1115		-744	-726	18	98
Rent Rebate Subsidy	-9510	730	0	-8780		-5853	-5853	0	100
Other Subsidy	5100	0	0	5100		3400	3400	0	100
Other Income	-608	0	0	-608		-453	-469	-16	104
Total Income	-23212	730	0	-22482		-15037	-15043	-6	100
Deficit/Surplus(-)	-614	333	0	-281		-212	27	239	

Previously Reported Variations – Housing Revenue Account

Cabinet - 6 AUGUST 2003
Cabinet - 1 OCTOBER 2003
Cabinet - 3 DECEMBER 2003

£000
154
-3
182

333