

EXECUTIVE SUMMARY – PROVISIONAL FINAL ACCOUNTS – 2003/04








Summary of Purpose and Recommendations:

The report sets out the provisional revenue and capital outturn figures for the 2003/04 Financial Year.

Cost to Council: NIL

Within existing budget?

Contribution to Corporate Plan (Minor/Moderate/Major/Neutral):

	+		-		+		-
	Moderate			Priorities			
		Neutral		Clean Streets and Public Spaces		Neutral	
		Neutral		Crime and Disorder		Neutral	
		Neutral		Housing		Neutral	
		Neutral		Managing our Finances	Major		

Comments on Impacts on Corporate Objectives and Priorities:

The provisional outturn figures for both revenue and capital for the financial year end 31 March 2004 are still subject to external audit and may therefore require some adjustment. However, at this point in time the provisional figures demonstrate a General Fund Revenue underspend of £389K against the original estimate, and capital under-spending of £12K having allowed for £1.691m of slippage into 2004/05 and a net underspend on the Housing Revenue Account of £60K. The report also identifies the variations since the last report in February.



Organisation of excellence



Working with public and partners



Economic well being



Social well being



Environmental well being

PROVISIONAL FINAL ACCOUNTS – 2003/04

1. INTRODUCTION

- 1.1 Under the Accounts and Audit Regulations 2003 (England), Local Authorities are required to adopt their final accounts within five months of the financial year to which they refer.
- 1.2 A copy of this Council's consolidated final accounts will be presented to a proposed special committee for approval. The Council at their meeting in July will be asked to appoint this committee specifically for the purpose of approving the final accounts.
- 1.3 While work continues on the closedown process, the purpose of this report is to advise Cabinet of the provisional outturn position on the General Fund, Housing Revenue Account, Capital Programme and Commercial Services.

2. GENERAL FUND

- # 2.1 As shown in Appendix 1, net expenditure before transfers between reserves was £18.951m. This is a saving of £647,000 on the latest budget approved by Cabinet. The reasons for the variations are shown in Appendix 4.
- 2.2 After allowing for transfers between reserves, the net expenditure position shows an overall saving of £661,000. Together with overspends previously reported to Members, the overall saving from the original estimate is £389,000.
- 2.3 The General Fund balance at 31 March 2003 was £2.036m. This equates to 10.6% of the 2003/04 net operating budget, which is broadly in line with the recommended 10% level.
- # 2.4 In addition to the issues in Appendix 1, during the year the Council received reimbursement of £54,000 relating to business rates plus interest, following a successful appeal against the Health and Leisure Centres rateable values, dating back to 2000.
- 2.5 As the figures in this report are provisional, no recommendation has been made as to the treatment of the annual General Fund surplus or the windfall receipt. All of the Council's reserves will be reviewed as part of the continuing closedown process and a recommendation made to Members once final figures are known.

3. HOUSING REVENUE ACCOUNT

- # 3.1 The provisional income and expenditure for the Housing Revenue Account is shown in Appendix 2. It identifies savings of £203,000, which have not previously been reported to Members. Details of the main items are shown in Appendix 5.

- 3.2 Together with previously reported overspends of £263,000, the overall overspend from the original estimate is £60,000, although approximately £118,000 of this relates to slippage on environmental enhancement works, that were carried forward from 2002/03.
- 3.3 The estimated balance on the Housing Revenue Account at 31 March 2004 is £2.818m.

4. COMMERCIAL SERVICES

- 4.1 The estimated surplus for the operational section of the Commercial Services directorate is £108,000. After allowing for savings already allocated back to General Fund services and to Housing Revenue Account Services the balancing transfer from Commercial Services to the General Fund will be in the region of £84,000.

The total credited back to the General Fund was £96,000, which exceeds the latest approved budget by £26,000.

5. CAPITAL EXPENDITURE PROGRAMME – OTHER SERVICES

- # 5.1 Total actual expenditure for 2003/04 was £4.563m (Appendix 3), which is an underspend of £1.351m from the last approved budget. This was principally due to slippage of £1.453m. Details of all slippage items and other budget variations are set out within Appendix 3.

6. CAPITAL EXPENDITURE PROGRAMME – HOUSING

- 6.1 Total actual expenditure for 2003/04 was £2.768m, which is an underspend of £352,000 from the last approved budget. This was mainly due to slippage of £238,000 in Social Housing Grant. Details of other budget variations are set out within Appendix 3.

7. RECOMMENDATION

- 7.1 It is recommended that the provisional outturn figures be noted.

Further Information:

Kevin Green
Accountancy Manager
Tel: (023) 8028 5715
Email: kevin.green@nfdc.gov.uk

Background Papers:

NEW FOREST DISTRICT COUNCIL
GENERAL FUND - ACTUAL EXPENDITURE 2003/2004

	2003/2004 Approved Budget £'000	2003/2004 Provisional Actual £'000	2003/2004 Original Budget £'000	2003/2004 Variation to Original £'000
PORTFOLIO/COMMITTEE EXPENDITURE				
Corporate & Finance	5,376	5,079	5,246	-167
Crime & Disorder	444	450	416	34
Economy & Planning	2,359	2,246	2,183	63
Environment	5,312	5,172	5,517	-345
Housing	1,366	1,364	1,443	-79
Health & Social Inclusion	1,437	1,429	1,446	-17
Leisure	2,712	2,642	2,563	79
General Purposes & Licensing	583	575	573	2
Planning Development Control	958	913	938	-25
Sub Total	20,547	19,870	20,325	-455
DEDUCT - Asset Rental Income(Holding A/cs)	-269	-269	-269	0
NET COMMITTEE EXPENDITURE	20,278	19,601	20,056	-455
Capital Finance Provision	0	0	0	0
DEDUCT - Interest Earnings (Net)	-680	-650	-800	150
Net Expenditure before Transfers to Funds	19,598	18,951	19,256	-305
Transfers from/to Funds				
Transfer from Commercial Services	-70	-84	0	-84
Net Expenditure after Transfer from Commercial Serv	19,528	18,867	19,256	-389
Transfer from Capital Financing Reserve	-115	-115	-115	0
Transfer from General Fund Balance	-344	-344	-72	-272
GENERAL FUND NET BUDGET/EXPENDITURE	19,069	18,408	19,069	-661

GENERAL FUND BALANCE 1 APRIL 2003

less: Original Planned Deficit
less: Additional Transfer from General Fund

add: New Variations

GENERAL FUND BALANCE 31 MARCH 2004

2,036
-72
-272
661
2,353

Note: £122,000 savings identified in the April financial monitoring report to Cabinet within the holding accounts line has now been allocated above to Corporate and Finance (-£92,000) and Housing (-£30,000).

HOUSING REVENUE ACCOUNT- ACTUAL EXPENDITURE 2003/2004

	2003/2004 Approved Budget £000	2003/2004 Provisional Actual £000	2003/2004 Variation £000
INCOME			
Dwelling Rents (net of irrecoverable rents)	16,622	16,598	24
Non Dwelling Rents - Garages	427	427	0
- Land & Buildings	31	36	-5
Charges for Services & Facilities	1,095	1,110	-15
Contributions towards Expenditure	243	269	-26
Government Subsidies - Rent Rebates	8,780	8,776	4
- Housing Subsidy	-8,313	-8,272	-41
- Major Repairs Allowance	3,214	3,214	0
Housing Benefit Transfers	60	48	12
Interest Receivable - Mortgage Interest	5	6	-1
- Balances Interest	81	117	-36
Other - Sales Administration Recharge	107	109	-2
- Shared Amenities Contribution	110	114	-4
Total Income	22,462	22,552	-90
EXPENDITURE			
Repairs & Maintenance	3,777	3,671	-106
Supervision & Management	4,372	4,297	-75
Rents, Rates, Taxes & Other Charges	23	23	0
Rent Rebates - General	9,280	9,280	0
- Local Scheme	60	48	-12
Provision for Bad Debt - Increased Provision	30	26	-4
Capital Financing Costs	915	862	-53
Capital Expenditure Charged to Revenue	440	577	137
Contribution to Major Repairs Account	3,214	3,214	0
Total Expenditure	22,111	21,998	-113
Deficit/Surplus(-) for year	-351	-554	-203
Balance at 1 April 2003	2,264	2,264	0
BALANCE AT 31 MARCH 2004	2,615	2,818	-203

CAPITAL OUT-TURN 2003/04

	2003/2004 Approved Budget £'000	2003/2004 Actual £'000	2003/2004 Variation £'000	2003/2004 Slippage £'000	2003/2004 Other Variations £'000
Other Services					
Corporate & Finance	1106	822	-284	-282	-2
Crime & Disorder	33	0	-33	-33	0
Economy & Planning	261	205	-56	-55	-1
Environment (Coast Protection)	934	934	0	-45	45
Environment (Other)	887	824	-63	-129	66
Leisure	1047	630	-417	-410	-7
Leisure - (Developers' Contributions)	1646	1148	-498	-499	1
	5914	4563	-1351	-1453	102
Housing:					
Private Sector	3002	2574	-428	-238	-190
Public Sector	118	194	76		76
	3120	2768	-352	-238	-114
TOTAL	9034	7331	-1703	-1691	-12

Notes:

The budgets for Corporate & Finance, Economy & Planning and Housing (Private Sector) have been increased from those shown in the April Financial Monitoring report to Cabinet. This is to reflect approvals made after the financial report was prepared or to gross up budgets where contributions/grants have been received towards specific projects.

Corporate & Finance - An overspend of £16,000 on the New Milton Offices scheme was offset by savings of £5,000 on the Appletree Court car park resurfacing scheme, £4,000 on the Appletree Court rain water recycling scheme and £5,000 on the Dibden Golf Centre kitchen enlargement scheme.

Environment(Coast Protection) - Additional costs of £70,000 on the Lymington Quay Wall scheme, following adjudication, were offset by savings of £25,000 on the Hurst Spit Beach Management scheme, as maintenance works were not carried out due to land ownership problems.

Environment - The Lymington Quay project exceeded the budget by £70,000, largely due to additional costs following adjudication.

Leisure - Savings of £5,000 on the Applemore Air Conditioning heat pump, £11,000 on the New Milton refurbishment of centre filters, £8,000 on the Lymington sand pool filters and £4,000 on the Totton retiling of poolside plinths schemes were offset by overspends of £13,000 on the Ringwood main reception refurbishment and £10,000 on the New Milton extension to Contours schemes.

Housing - Underspends of £143,000 on Private Sector Renewal Grants and £47,000 on Disabled Facilities Grants were offset by an overspend of £76,000 on Environmental Enhancements.

SCHEDULE OF SLIPPAGE ON CAPITAL EXPENDITURE

£'000

CORPORATE & FINANCE

Refurbish Of Heating Systems – Appletree Court	9
Electrical Testing remedial works – Appletree Court	-13
Electrical Testing remedial works – Town Hall	-18
Refurbish Gents toilets/showers – Town Hall	-11
Resurfacing Works – Claymeadow Totton Depot	-14
DDA Legislation	-42
Lymington H & L – Ph.2 Catering area	-25
Lymington H & L – Customer Social Area	-11
Information Technology	-147
Other	<u>-10</u>
	<u>-282</u>

CRIME & DISORDER

CCTV Programme	<u>-33</u>
	<u>-33</u>

ECONOMY & PLANNING

Fawley Village Centre	-22
Fordingbridge Town Centre	-6
Cycle Route - Stopples Lane Hordle	<u>-27</u>
	<u>-55</u>

ENVIRONMENT (COAST PROTECTION)

Regional Monitoring	-36
Coastal Strategy Plan – Western Solent	-10
Other	<u>1</u>
	<u>-45</u>

ENVIRONMENT (OTHER)

Land Drainage – Ripley Flood Relief	-6
Land Drainage – Lyndhurst Flood Relief	-113
Other	<u>-10</u>
	<u>-129</u>

LEISURE

All Centres – Underwater Repairs	-13
Applemore – Lift Replacement	-10
Applemore – Access Control	-6
New Milton – Refurbish Workshop/Storage Area	-15
New Milton – External Barrier Control	-17
Ringwood – Replacement of Lift	-10
Lymington – Extension to Sports Hall Store	-23
Dibden Golf Course – Electrical Remedial Works	-11
Dibden Golf Course – Course Drainage	-13
Dibden Golf Course – Course Steps	-9
Dibden Golf Course – Course Enhancements	-11
Coast Amenities PPM	-13
Milford Promenade	-12
Keyhaven Quay	-34
Eling Tide Mill	-107
Parish Partnership Programme	-100
Other	<u>-6</u>
	<u>-410</u>

LEISURE – DEVELOPERS’ CONTRIBUTIONS

Open Space - Hythe & Dibden, Hythe Promenade	-16
- Marchwood, Corkfield	-21
- New Milton, Land Acquisition	-100
- Ringwood, Land at Poulner Lakes	-20
- Totton, Hangar Farm	-188
- Ringwood, Trinity College	-10
- Fordingbridge, Skateboard Park	-40
Other – Parish Paths Project	-9
Totton – West Totton Centre	-35
Totton – Hangar Farm, Totton, Community Use	<u>-60</u>
	<u>-499</u>

TOTAL OTHER SERVICES SLIPPAGE **-1453**

HOUSING

Social Housing Grant **-238**

TOTAL SLIPPAGE **-1691**

VARIATIONS ON GENERAL FUND

CORPORATE AND FINANCE

£000

Corporate and Democratic Core – Overspends of £34,000 on External Audit Fees, £13,000 on CPA costs, £10,000 on bank charges and £23,000 on Members ICT were offset by savings of £11,000 on Community Panning, £11,000 on Member's Training/Panel Advisors and £23,000 on printing. Other net savings totalled £6,000.	29
Catering – Overspends on Dibden Golf Centre employees (£25,000) and welfare catering (WRVS fees £8,000) were offset by savings on Health and Leisure Centre catering of £10,000.	23
Pension Increase Act – Compensatory added years payments were £59,000 less than budgeted. This was partly due to the fact that the amount due for April 2003 was charged to the 2002/03 accounts.	-59
Tax and Benefits Service – Total operating costs of the Tax and Benefits service were £111,000 less than budgeted. This was largely due to savings of £39,000 in employee costs, £16,000 in postages, £28,000 due to later than anticipated ICT purchases and £28,000 lower than estimated set up costs for the new tax credits.	-111
Housing/Council Tax Benefits – The net cost of benefits was £138,000 less than budgeted. This was largely due to the receipt of grant that had not been budgeted for.	-138
Business Units/Holding Accounts – Net savings on various business units and holding accounts totalled £57,000.	-57
Miscellaneous – An increase of £27,000 has been made in the sundry debtors bad debt provision.	27
Other Variations	-11
	<u>-297</u>

ECONOMY AND PLANNING

£000

Car Parks – Total savings of £62,000 were principally due to underspends of £23,000 in the maintenance budget, due to staff resources being redirected to the implementation of elements of Traffic Management, additional income of £21,000 from town centre charges and savings of £10,000 in postages, due to the number of clocks purchased over the counter rather than by post.	-62
Building Control – Total savings of £19,000 are principally due to additional income of £16,000, as a result of a large number of applications being received in March.	-19
Economic Development – Further savings of £28,000 were due to continued staff vacancies and the impact on the initiative programme.	-28
Land Charges – Savings of £11,000 were principally due to staff vacancies.	-11
Street Naming and Numbering – An increase in the number of street nameplates repaired or replaced, together with increased charges from Commercial services, resulted in an overspend of £15,000.	15
Transport Link for Young People – Due to the expansion of the concessionary pass scheme to cover all parts of the District and the overall level of take up, the budget overspent by £13,000.	13
Concessionary Travel – Due to a lower take up of the scheme than forecast, the budget underspent by £14,000.	-14
Other Variations	-7
	<u><u>-113</u></u>

Appendix 4**ENVIRONMENT**

£000

Cemeteries – Total savings of £21,000 were due to the grounds maintenance charge from Commercial Services being £4,000 less than estimated, savings of £6,000 in supplies and services budgets, due to staff vacancies and additional income of £6,000 from interments. Other savings totalled £5,000.

-21

Coast Protection – Unsuitable tidal and wind conditions in the last quarter of the year prevented £14,000 of works from being completed. In addition, savings in employee costs of £15,000 resulted due to the level of time charged to capital projects and rechargeable works.

-32

Land Drainage – Savings of £24,000 in employee budgets were due to staff vacancies and additional time being charged to capital projects and rechargeable works. In addition, dry weather conditions in the last quarter of the year resulted in less emergency works being required than budgeted for (-£10,000).

-36

Public Conveniences – A reduction in charges from Commercial Services for cleaning resulted in savings of £16,000. Other budgets were overspent by £3,000.

-13

Waste Management and Recycling – A total saving of £52,000 was principally due to reduced charges of £16,000 from Commercial Services and savings of £31,000 on clear sacks, partly due to purchase prices not increasing.

-52

Refuse Collection and Street Cleansing – Additional charges of £23,000 from Commercial Services and an overspend of £20,000 on the installation of dog waste and litter bins was offset by an underspend of £17,000 in the cost of black sacks, partly due to purchase prices not increasing. Other net savings totalled £9,000.

17

Other Variations

-3

-140

Appendix 4**LEISURE**

£000

Dibden Golf Centre – Total savings of £59,000 were due to underspends of £8,000 on employees, £24,000 on plant, largely due to new equipment not requiring high cost maintenance works, £12,000 on equipment leasing due to items being purchased later in the year than anticipated, and additional income of £9,000. Various other underspends totalled £6,000.

-59

Sports/Community Development – Savings of £12,000 were due to staff vacancies.

-12

Health and Leisure Centres – Overall, net expenditure exceeded the budget by £12,000. This was principally due to an income shortfall of £41,000 and additional premises costs of £15,000, offset by savings of £26,000 in employee costs and £17,000 in equipment leasing costs.

The net overspend was split £37,000 at Ringwood, £27,000 at New Milton and £7,000 at Totton, offset by savings of £31,000 at Lymington and £28,000 at Applemore.

12

Open Spaces – The overspend was the result of essential works over and above the basic grounds maintenance contract.

13

Foreshores – A total saving of £10,000 resulted from savings of £8,000 in supplies and services budgets and additional income of £2,000.

-10

Other Variations

-14

-70**PLANNING DEVELOPMENT CONTROL**

Development Control – Total savings of £45,000 were due to additional income of £34,000 from planning applications and underspends of £6,000 in employee costs, due to vacancy savings and £5,000 in supplies and services budgets.

-45

-45

OTHER PORTFOLIOS/COMMITTEES

Net savings on all other Portfolios/Committees totalled £12,000

-12

INTEREST EARNINGS

Interest earnings were £30,000 less than budgeted.

30

TOTAL

-647

VARIATIONS ON HOUSING REVENUE ACCOUNT**INCOME**

£000

Dwelling Rents – Rental income is £24,000 less than budget. This is principally due to income loss from voids exceeding the budget by £19,000.

24

Contributions to Expenditure – Income from central control exceeded the budget by £17,000. Additional income on various other budgets totalled £9,000.

-26

Housing Subsidy – Additional income of £41,000 is largely due to a prior year adjustment of £21,000, following audit of the 2002/03 subsidy claim and £16,000 to cover additional premiums payable as a result of early debt redemption.

-41

Interest Receivable – Overall, interest income exceeded the budget by £37,000. This is (£36,000) largely due to additional investment income on higher than expected balances brought forward from 2002/03.

-37

Other Variations

-10

-90
EXPENDITURE

Repairs and Maintenance/Capital Expenditure charged to revenue – Reductions in the level of demand led work resulted in savings of £118,000 in the reactive maintenance budget. This was partially offset by an overspend of £12,000 on cyclical maintenance and enabled additional expenditure of £137,000 to be incurred on the planned maintenance/environmental enhancements programmes.

31

Supervision and Management – Total savings of £75,000 are principally due to £70,000 of costs of the stock options appraisal not being payable until 2004/05.

-75

Capital Financing Costs – Costs were £53,000 lower than estimated principally due the level of capital receipts being higher than anticipated in both 2002/03 and 2003/04. The impact has however been offset by additional costs of £16,000 on premiums payable, as a result of early debt redemption, but these were matched by additional housing subsidy.

-53

Other Variations

-16

-113
TOTAL VARIATIONS

-203