



FINANCIAL REPORT – FORECAST FULL YEAR AND ACTUAL FOR THE PERIOD APRIL 2004 TO DECEMBER 2004

1 INTRODUCTION

- 1.1 This report sets out the forecast budget variations of all Portfolios and Committees from the approved original estimates for 2004/05.
- 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. Appendix 4 shows the financial position of Commercial Services for the period April to November 2004. All individual variations shown in the appendices also show the name of the Budget Responsible Officer (BRO), who can be contacted for further information. Copies of reports substantiating supplementary estimates are attached after the appropriate appendix.
- 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 December show an estimated reduction in net expenditure of £160,000, bringing the total reduction in net expenditure for the year to £543,000.
- 2.2 The major variations are listed below, but full details are set out in Appendix 1.

	£'000
VARIATIONS	
Rent Rebates (Finance & Support)	-56
Building Control (Economy & Planning)	-12
Economic Development (Economy & Planning)	-61
Land Charges (Economy & Planning)	50
Cemeteries (Environment)	-12
Waste Mgmt. and Recycling (Environment)	23
Homeless Assistance (Housing)	-18
Enabling Role (Housing)	-13
Dog Warden (Health & Social Inclusion)	-10
Health Commercial (Health & Social Inclusion, GP&L)	-29
Dibden Golf Centre (Leisure)	-16
Appeal Costs (Planning Development Control)	13
Other	<u>-19</u>
Total	-160

2.3 The financial report presented to the December Cabinet meeting identified savings of £150,000 in ICT leasing/R&R costs, but these have only recently been allocated to individual portfolios. The following table shows the incidence of the allocation.

	£'000
Finance and Support	-71
Economy and Planning	-17
Health and Social Inclusion	-8
Leisure	-36
General Purposes and Licensing	-6
Planning Development Control	-11
Housing General Fund	-1
Holding Accounts	<u>150</u>
Total	0

2.4 Appendix 1 shows that actual expenditure at the end of December is £687,000 below the profiled budget expenditure.

3 CAPITAL EXPENDITURE (APPENDIX 2)

3.1 Other Services (Excluding Housing)

3.1.1 New variations show a decrease in 2004/05 expenditure of £808,000, but excluding items of rephasing, virement, developers' contributions and external funding, there is a decreased call on the Council's capital resources of £14,000. The decrease of £808,000 is summarised in the table below:

VARIATIONS	£'000	£'000
Slippage to 2005/06:		
Disability Adaptations	-20	
St Johns Car Park (E&P)	-130	
Totton Town Centre (E&P)	-100	
Marchwood RNAD (E&P)	-106	
Calshot Public Conv. (Env)	-3	
Milford Public Conv. (Env)	-48	
Christchurch Bay (Env)	-42	
Western Solent (Env)	-53	
Solent Dynamic Coast (Env)	-32	
Marchwood YC (Leisure)	<u>-40</u>	-574
ATC North Wing Heating (Fin & Support)		-50
Disability Adaptations (Fin & Support)		-5
New Milton TH (Fin & Support)		13
Telephone Contact Centre (Fin & Support)		13
Land Drainage (Environment)		20
Beach Huts (Leisure)		22
Ringwood Junior/Northfield (Leisure)		38
Hangar Farm (Leisure)		<u>-285</u>

Total **-808**

Full details of the amounts included in the table are shown in Appendix 2.

3.1.2 The table at the top of the following page provides an overview of the funding implications of the variations.

IMPACT ON CAPITAL RESOURCES	£'000
Delayed to 05/06 and 06/07	-574
Variations matched by Developers' Contributions	-247
Variations matched by Government Grants	27
Variations falling on Council's Capital Resources	<u>-14</u>
Total	-808

3.2 Housing

3.2.1 Reported variations show a decrease in 2004/05 expenditure of £1,828,000, but excluding items of rephasing there is a decreased call on the Council's capital resources of £100,000.

VARIATIONS	£'000
Private Sector Renewal / Home Repairs Assistance	-100
Social Housing Grant	-1,678
Environmental Enhancements	<u>-50</u>
Total	-1,828

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

IMPACT ON CAPITAL RESOURCES	£'000
Delayed to 05/06 (General Fund)	-1,678
Delayed to 05/06 (HRA)	-50
Variations falling on Council's Capital Resources	<u>-100</u>
Total	-1,828

4 HOUSING REVENUE ACCOUNT (APPENDIX 3)

4.1 Reported variations show a decrease in 2004/05 expenditure of £80,000.

4.2 The variations are listed below. Full details are shown in Appendix 3.

VARIATIONS	£000
Capital Expenditure charged to Revenue	-50
Dwelling Rent Income	<u>-30</u>

Total

-80

4.3 Appendix 3 shows that actual net expenditure at the end of December is £713,000 below the profiled budget expenditure, but this principally reflects variations in the timing of expenditure and income, in particular delays in payments for repairs and maintenance expenditure.

5 COMMERCIAL SERVICES (APPENDIX 4)

5.1 Appendix 4 shows a net surplus of £158,756 for the period April to November 2004. The estimated allocation of this is £131,069 to the General Fund and £27,687 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 items set out in the revised General Fund budget in Appendix 1 and recommend Council to approve a supplementary estimate of £50,000 for Land Charges.
- 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 Appendix 4.
- e) note the actual expenditure to profiled budget positions of the General Fund, Capital Programme and Housing Revenue Account as set out in Appendices 1 to 3.

For Further Information Contact

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**FORECAST GENERAL FUND FULL YEAR REVENUE
EXPENDITURE 2004/05
AND ACTUAL FOR THE PERIOD APRIL 2004 TO DECEMBER 2004**

	FULL YEAR FORECAST					ACTUAL TO DECEMBER			
	Original Budget £000s	Previous Variations £000s	New Variations £000s	Forecast Outturn £000s	New Variation Note	Profiled Budget £000s	Actual to December £000s	Actual to Profiled £000s	% of Profile Spent
Finance & Support – Direct	5311	-158	-127	5026	1	3397	3381	-16	100
Finance & Support – Holding	-	-150	150	0	2	0	0	0	n/a
Crime & Disorder	470	-14	8	464	3	362	363	1	100
Economy & Planning	1850	15	-40	1825	4	1141	957	-184	84
Environment	5670	-80	11	5601	5	4300	4161	-139	97
Housing	1483	-57	-40	1386	6	874	831	-43	95
Health & Social Inclusion	1537	-10	-43	1484	7	1116	1050	-66	94
Leisure	2665	71	-55	2681	8	2240	2037	-203	91
General Purposes & Licensing	486	75	-26	535	9	497	488	-9	98
Planning Development Control	851	69	2	922	10	609	581	-28	95
Business Unit Asset Rentals	-375	0	0	-375					
Service Expenditure	19948	-239	-160	19549		14536	13849	-687	95
Capital Financing Provision	245	0	0	245					
Interest Earnings	-1170	-80	0	-1250	11				
Net Expenditure	19023	-319	-160	18544					
Transfer to (from) Comm. Servs	-112	-26	0	-138	12				
Transfer to (from) Rev. Res.	0	-38	0	-38	13				
Transfer to (from) Cap. Fin. Res.	-252	0	0	-252					
Transfer to (from) Cap. Reserve	-	383	160	543					
TOTAL REVENUE	18659	0	0	18659		14536	13849	-687	95

Portfolio/Committee figures exclude asset rental budgets

New Variations – General Fund Revenue Expenditure

£000

1. Finance & Support – Direct

- a) Rent Rebates – Principally due to better than expected performance on recovery of rent rebate overpayments no contribution from the General Fund is expected to be required.

(BRO: P Neville)

-56

- b) ICT leasing/R&R (see para 2.3)

-71

-127

2. Finance & Support – Holding

- ICT leasing/R&R (see para 2.3)

150

150

3. Crime & Disorder

Community Safety Officers – A supplementary estimate of £8,320 was agreed by Cabinet on 1st December as a contribution to the County Council Scheme which will secure two Community Safety Officers within the New Milton area. (BRO: M Powell)

8

8

	£000
4. Economy & Planning	
a) Building Control – It is anticipated that additional income of £20k will be received for 2004/05 based on the level of building control applications received during the year, partially offset by an increase in hired staff costs of £8k. (BRO: S Gange)	-12
b) Economic Development – Savings have been made against economic development salaries and initiatives budgets associated with a vacant Business Support Officer post. (BRO: N Miller)	-61
c) Land Charges – Due to the continued slow down of the housing market, there has been a further shortfall in income of £50k. This income is very volatile. (BRO: C Elliott)	50
d) ICT leasing/R&R (see para 2.3)	-17
	<u>-40</u>
5. Environment	
a) Cemeteries – Additional income has been received in 2004/05 for interment fees and exclusive rights of burial. This is mainly due to an increase in the number of requests from the public for these services, in comparison to the last financial year. (BRO: P Jordan)	-12
b) Waste Management & Recycling – On 13/12/04 Cabinet approved a supplementary estimate of £22,700 to enable the introduction of a Garden Waste Collection scheme. (BRO: R Sired)	23
	<u>11</u>
6. Housing	
a) Homeless Assistance – Further savings in bed and breakfast costs are expected (-14k) and Housing Association Leasing costs are likely to be £4k below the budget (BRO: G Spawton/S Maggs)	-18
b) Enabling Role – A total underspend of £13k is expected due to staff turnover savings and lower than expected Supplies and Services costs. (BRO: S Maggs)	-13
c) Stillwater Park – Income from the sale of mobile homes at Stillwater Park has generated another £8k in excess of the full year budget (BRO: D Brown).	-8
d) ICT leasing/R&R (see para 2.3)	-1
	<u>-40</u>
7. Health & Social Inclusion	
a) The requirement for welfare funerals is expected to remain below the available budget and a saving of £4k is expected. (BRO: A Righton)	-4
b) Pest Control – A saving of £6k has been identified, as it was not necessary to employ additional seasonal staff during the insect season (-£6k). There has been a reduction in the number of rodent treatments this year, leading to a saving in material usage (-£3k) (BRO: C Gallagher)	-9
c) Dog Warden – There has been a delay in the contract for out of hours dog collection being awarded, leading to a saving this year of £10k. The responsibility for out of hours dog collection will now transfer from the Police to the Council in February 2005. (BRO: C Gallagher)	-10
d) Food Safety – There have been no food safety courses run during 2004/05 due to lack of resources to carry out this function. This has resulted in an income shortfall of £3,500. (BRO: D Jordan)	4
e) Health Commercial – A saving of £16k has been identified due to vacancy savings within the Health Commercial Business Unit. (BRO: D Jordan)	-16
f) ICT leasing/R&R (see para 2.3)	-8
	<u>-43</u>
8. Leisure	
a) Health & Leisure Centres – Delays in purchasing items on the lease replacement schedule has resulted in savings at New Milton Health & Leisure Centre. (BRO: J Rickard)	-3
b) Dibden Golf Centre – Due to a number of reasons, including delays in replacing items; replacement items being cheaper than anticipated and items being bought out and not replaced, savings on the leasing programme have occurred. (BRO: L Nelson)	-16
c) ICT leasing/R&R (see para 2.3)	-36
	<u>-55</u>
9. General Purposes and Licensing	
a) Health & Safety – A saving of £7k has been identified due to the Health & Safety newsletter not being published this year. (BRO: D Jordan)	-7
b) Health Commercial – A saving of £13k has been identified due to vacancy savings within the Health Commercial Business Unit. (BRO: D Jordan)	-13
c) ICT leasing/R&R (see para 2.3)	-6
	<u>-26</u>

	£000
10. Planning Development Control	
a) Appeal Costs – A supplementary estimate of £13k is required to cover costs awarded on a planning appeal. (BRO: C Elliott)	13
b) ICT leasing/R&R (see para 2.3)	-11
	<u>2</u>
11. Interest Earnings	
No new variations to report.	0
	<u>0</u>
12. Commercial Services	
No new variations to report.	0
	<u>0</u>
13. Revenue Reserves	
No new variations to report.	0
	<u>0</u>
TOTAL ALL NEW VARIATIONS (REVENUE)	<u><u>-163</u></u>

FORECAST FULL YEAR CAPITAL EXPENDITURE 2004/05
AND ACTUAL FOR THE PERIOD APRIL 2004 TO DECEMBER 2004

	FULL YEAR FORECAST					ACTUAL TO DECEMBER			
	Original Budget £000s	Previous Variations £000s	New Variations £000s	Forecast Outturn £000s	New Variation Notes	Profiled Budget £000s	Actual to December £000s	Actual to Profiled £000s	Actual to Profiled %
Finance & Support	460	583	-49	994	1	621	518	-103	83
Crime & Disorder	0	33	-	33	2	10	11	1	110
Economy & Planning	261	268	-336	193	3	140	65	-75	46
Environment	539	-59	-31	449	4	218	188	-30	86
Env (Coastal Protection)	882	33	-127	788	5	652	462	-190	71
Leisure	1409	406	-18	1797	6	1167	520	-647	45
Leisure – Developers Contrib.	642	1114	-247	1509	7	1229	1086	-143	88
Subtotal Other Services	4193	2378	-808	5763		4037	2850	-1187	71
Housing – Private Sector	3099	577	-1778	1898	8	1860	1555	-305	84
Housing – Public Sector	3751	-77	-50	3624	9	2205	2444	239	111
Subtotal Housing	6850	500	-1828	5522		4065	3999	-66	98
TOTAL CAPITAL	11043	2878	-2636	11285		8102	6849	-1253	85

New Variations – Capital Expenditure

1. Finance & Support

- a) The budget increase reflects the utilization of additional DWP grant for the development of the telephone contact centre (BRO: K Connolly).
- b) ATC North Wing heating – Additional underspend of £50k expected due to lower tender than estimated (BRO: P Freeman).
- c) Disability Adaptations – Performance to date will generate a saving of £5k and £20k slippage due to delays generated by partners (BRO: P Freeman).
- d) New Milton TH – The overall costs of this project have exceeded the budget because of higher than budgeted internal and external fees and extra work, which was not part of the original specification (e.g. CCTV), (BRO: P Freeman).

2. Crime & Disorder

No new variations to report

3. Economy & Planning

- a) St John's Car Park Hythe – Before the project can start, full planning consent must be obtained. This has not been given to date because of the uncertainty surrounding the St John's Road link which runs through the car park. This Council and HCC have come to the conclusion that the link road should not be built. However, this has not yet been recognised by a formal deletion from the local plan. This is preventing the grant of full planning permission to go ahead with the car park refurbishment. Therefore, £65k of this scheme has been rephased to 05/06 and £65k to 06/07. (BRO: J Bull)

	£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
			13	13
	-50			-50
	-5	-20		-25
	13			13
	-42	-20	13	-49
			-130	-130

APPENDIX 2

	£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
b) Totton Town Centre – This scheme has previously been rephased to coincide with funding from other authorities, including HCC. It is now intended that NFDC will fund a one-off project in the core shopping area. Negotiations are currently underway but works are not expected to commence this financial year. (BRO: N Williamson)		-100		-100
c) Marchwood RNAD – Negotiations with Marchwood Yacht Club regarding details of a joint scheme are still in progress. This has delayed the submission of planning and listed building consent applications. Therefore, the remainder of this scheme has been rephased into 2005/06. (BRO: P Freeland)		-106		-106
		-336		-336
4. Environment				
a) Land Drainage Schemes – Detailed explanations of these variations are reported elsewhere on this agenda. (BRO: D Wright)	6		14	20
b) Calshot Public Conveniences – £3k of this scheme has been rephased to 2005/06. (BRO: D Wright)		-3		-3
c) Milford Public Conveniences – £48k has been rephased into 2005/06 mainly due to a longer than expected consultation process. (BRO: D Wright)		-48		-48
	6	-51	14	-31
5. Environment – Coastal Protection				
a) Christchurch Bay - £42k of this scheme's budget has been rephased into 2005/06 as the public consultation has not yet been completed. (BRO: S Cook)		-42		-42
b) Western Solent – It has been necessary to rephase £53k of this scheme into 2005/06 due to delays in receiving flood level data from the Environment Agency. (BRO: S Cook)		-53		-53
c) Solent Dynamic Coast - £32k has been rephased to 2005/06 due to staff working on other projects. (BRO: S Cook)		-32		-32
		-127		-127
6. Leisure				
a) On 1 Dec Cabinet approved a supplementary estimate of £22k for the construction of additional beach huts at Milford. (BRO: S Plumridge)	22			22
b) The phasing of building the Marchwood Youth Centre has changed. Instead of being programmed during the period 2004/05 and 2005/06, works are not anticipated to commence until 2006/07. (BRO: M Devine)		-40		-40
	22	-40		-18
7. Leisure – Developers Contributions				
a) During the last reporting cycle, £285,000 was allocated from Developers' Contributions towards helping the cash flow at Hangar Farm (Item F) until a bond sum was received. This bond has now been received and the £285,000 is no longer required. (BRO: M Devine)			-285	-285
b) Three new schemes have recently been approved by Cabinet. The schemes are Monitoring at North Poulner, Ringwood Junior School and Northfield Play Area Refurbishment. (BRO: M Devine)			38	38
			-247	-247
TOTAL VARIATION (CAPITAL – OTHER SERVICES)	-14	-574	-220	-808
8. Housing – Private Sector				
a) Private Sector Renewal – There have been major legislative/policy changes this year relating to the financial packages available to homeowners in maintaining their homes. These will temporarily reduce projected expenditure in this financial year by a further £100k. (BRO: S Gardener)	-100			-100

- b) Social Housing Grant – No overall reduction in Social Housing Grant Commitments is expected. However, due to uncertainties over the level of 'Right To Buy' receipts and the resultant prudent phasing of expenditure, £1.678m of the budget will not be needed until 2005/06. (BRO: S Maggs)

9. Housing – Public Sector

Environmental Enhancements – Commitments for external enhancements were temporarily put on hold pending the introduction of improved monitoring systems. This is expected to lead to the slippage of a minimum of £50k of Environmental Enhancement expenditure into 2005/06. (BRO: G Prentice)

TOTAL VARIATION (CAPITAL – HOUSING)

TOTAL CAPITAL EXPENDITURE VARIATION

APPENDIX 2			
£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
	-1678		-1678
-100	-1678		-1778
	-50		-50
	-50		-50
-100	-1728		-1828
-114	-2302	-220	-2636

FORECAST FULL YEAR HOUSING REVENUE ACCOUNT
EXPENDITURE 2004/05
AND ACTUAL FOR THE PERIOD APRIL 2004 TO DECEMBER 2004

	FULL YEAR FORECAST					ACTUAL TO DECEMBER			
	Original Budget £000s	Previous Variations £000s	New Variations £000s	Forecast Outturn £000s	New Variation Note	Profiled Budget £000s	Actual to December £000s	Actual to Profiled £000s	Actual to Profiled %
Reactive Maintenance	2294	19	0	2313		1735	1356	-379	78
Cyclical Maintenance/DFG	1336	77	0	1413		1060	1057	-3	100
Supervision & Management	4506	58	0	4564		3355	3327	-28	99
Rent Rebates	448	0	0	448		336	336	0	100
Revenue Cont. to Major Repairs	361	-77	0	284		173	173	0	100
Capital Financing Costs	472	189	0	661		330	330	0	100
Depreciation	3140	0	0	3140		1910	1851	-59	97
Other Expenditure	55	0	0	55		37	34	-3	92
Capital Expenditure charged To Revenue	250	0	-50	200	1	122	-28	-150	-23
Total Expenditure	12862	266	-50	13078		9058	8436	-622	93
Dwelling Rent Income	-16884	-100	-30	-17014	2	12078	12128	50	100
Other Rent Income	-494	10	0	-484		345	355	10	103
Service Charge Income	-1149	0	0	-1149		816	808	-8	99
Other Subsidy	5586	-189	0	5397		-3577	-3577	0	100
Other Income	-591	-35	0	-626		373	412	39	110
Total Income	-13532	-314	-30	-13876		10035	10126	91	101
Deficit/Surplus(-)	-670	-48	-80	-798		-977	-1690	-713	173

New Variations – Housing Revenue Account

£000

1. Capital Expenditure Charged To Revenue

Commitments for external enhancements were temporarily put on hold pending the introduction of improved monitoring systems. This is expected to lead to the slippage of a minimum of £50k of Environmental Enhancement expenditure into 2005/06. (BRO: G Prentice)

-50

2. Dwelling Rent Income

Right To Buy sales remain significantly below previous estimates and it is expected that a further £30k of rental income will therefore be generated in 2004/05 (BRO: G Ballantyne).

-30

-80

NEW FOREST COMMERCIAL SERVICES

SUMMARY REVENUE ACCOUNTS FOR THE FINANCIAL PERIOD: 1 APRIL - 30 NOVEMBER 2004

	Engineering	Building Works	Grounds Maintenance	Refuse Coll. & Street Clsng.	Building Cleaning	Fleet Management	Veh. & Plant Maintenance	CPU & Stores	TOTAL
	£	£	£	£	£	£	£	£	£
INCOME	(671,895)	(1,126,055)	(587,204)	(1,888,954)	(524,491)	(1,090,910)	(500,565)	(1,010,384)	(7,400,458)
EXPENDITURE	609,010	1,119,843	537,214	1,892,447	509,940	1,083,817	476,590	1,012,841	7,241,702
(SURPLUS) / DEFICIT	(62,885)	(6,212)	(49,990)	3,493	(14,551)	(7,093)	(23,975)	2,457	(158,756)
% to Turnover	9.36%	0.55%	8.51%	(0.18%)	2.77%	0.65%	4.79%	(0.24%)	2.15%

ALLOCATION OF (SURPLUS) / DEFICIT									
INTERNAL - GENERAL FUND	(9,252)	(2,695)	(31,994)	3,493	(3,112)	(7,093)	(22,458)	2,457	(70,654)
EXTERNAL - GENERAL FUND	(48,108)	862		-	(11,652)	-	(1,517)	-	(60,415)
GENERAL FUND SURPLUS	(57,360)	(1,833)	(31,994)	3,493	(14,764)	(7,093)	(23,975)	2,457	(131,069)
General Fund Surplus Latest Target 2004/05									(138,000)
INTERNAL - HSG REV. ACC'NT	(5,525)	(4,379)	(17,996)	-	213	-	-	-	(27,687)
TOTAL (SURPLUS) / DEFICIT	(62,885)	(6,212)	(49,990)	3,493	(14,551)	(7,093)	(23,975)	2,457	(158,756)