



FINANCIAL REPORT – FORECAST FULL YEAR AND ACTUAL FOR THE PERIOD APRIL 2006 TO JUNE 2006

1 INTRODUCTION

- 1.1 This report sets out the forecast budget variations of all Portfolios and Committees from the approved original estimates for 2006/07.
- 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. All individual variations shown in the appendices also show the name of the Budget Responsible Officer (BRO), who can be contacted for further information. Details 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 £50,000, must also be approved by Council at their next meeting.

2 GENERAL FUND (APPENDIX 1)

- 2.1 Total reported variations to June show an estimated increase in net expenditure of £97,000.
- 2.2 Excluding budget virements, the major variations are listed below, but full details are set out in Appendix 1. In addition, a separate report is attached (after Appendix 4) in respect of the supplementary estimate requested for Health and Leisure centres and Dibden Golf Centre.

VARIATIONS	£'000
Communications (Finance & Support)	13
Car Parks (Economy & Planning)	-16
Concessionary Travel (Economy & Planning)	-56
HLCs/Dibden Golf Centre (Leisure)	155
Other	<u>1</u>
Total	97

- 2.3 The Provisional Final Accounts 2005/06 report approved by Cabinet on 3 July, included provision to carry forward funding of £139,000 into 2006/07, to cover expenditure on Planning Delivery Grant projects. The expenditure budgets are split between the Economy and Planning Portfolio and Planning Development Control Committee and are matched by a contribution from revenue reserves, thus having no effect on the overall General Fund.
- 2.4 Appendix 1 shows that actual expenditure at the end of June is £296,000 below the profiled budget expenditure, but this is more than offset by outstanding commitments of £495,000.

3 CAPITAL EXPENDITURE (APPENDIX 2)

3.1 Other Services (Excluding Housing)

3.1.1 Reported variations show an increase in 2006/07 expenditure of £1,232,000, but excluding items of rephasing, virement, developers' contributions and external funding, there is an increased call on the Council's capital resources of £634,000. Of the increased call on resources £574,000 relates to a change in funding of ICT which will result in an equivalent increase in the balance on the Renewals and Replacements reserve. Proposals for dealing with the reserve balance will be included in this year's expenditure plans. The expenditure increase is summarised in the table below:

VARIATIONS	£'000	£'000
Rephasings (reported as part of 2005/06 outturn):		
Policy & Resources	338	
Crime & Disorder	21	
Economy & Planning	212	
Environment	8	
Environment – Coastal Prot.	98	
Leisure	352	
Leisure – Developers Contr.	<u>100</u>	1,129
Rephasings to 2007/08:		
Ringwood HLC		-4
Information Technology (Policy & Resources)		574
Scaffolding (Policy & Resources)		10
Car Parks Equipment (Economy & Planning)		-40
Calshot Public Conveniences (Environment)		20
Land Drainage – Lloyd Avenue Marchwood (Env)	60	
Coast Protection (Environment)		
Strategic Monitoring Southwest		-800
Eling Wharf (Health and Social Inclusion)		27
Ringwood HLC Boilers (Leisure)		70
Developers Contributions (Leisure)		<u>186</u>
Total		1,232

Full details of the amounts included in the table are shown in Appendix 2 and additional information concerning the supplementary estimate in respect of the Ringwood Boiler Replacement is shown in Appendix 4.

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

IMPACT ON CAPITAL RESOURCES	£'000
Rephasings reported as part of 2005/06 Outturn	1,129
New rephasings to 2007/08	-4
Variations matched by movement in external resources	-527
Variations falling on Council's Capital Resources (see paragraph 3.1.1)	<u>634</u>
Total	1,232

3.2 Housing

3.2.1 Reported variations show an increase in 2006/07 expenditure of £330,000.

VARIATIONS	£'000
Slippage from 2005/06:	
Planned Maintenance Programme	135
Social Housing Grant (Sportsmans Arms)	<u>195</u>
Total	330

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

IMPACT ON CAPITAL RESOURCES	£'000
Rephasings from 2005/06	330

4 HOUSING REVENUE ACCOUNT (APPENDIX 3)

4.1 No variations have been reported to date and as a result there is no change in the overall planned 2006/07 expenditure.

4.2 Housing is currently in the process of restructuring the service and substantial reviews of the provision of sheltered housing and of central control are taking place. The potential impact of these on the 2006/07 budget will be reported as soon as the required financial information becomes available. At this stage it is not anticipated that there will be an overall adverse effect on the current Housing Revenue Account forecast.

4.3 Appendix 3 shows that actual net surplus at the end of June is £40,000 ahead of the profiled budget surplus.

5 COMMERCIAL SERVICES

- 5.1 The current Commercial Services Budget Surplus target on General Fund Activities is £52k. Performance to date does not require any change in the forecast surplus.

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:
 - an additional £155k in respect of Health and Leisure Centres and Dibden Golf Centre (see separate report attached - pages 13-16).
 - b) approve the revised capital expenditure as set out in Appendix 2 and recommend Council to approve a supplementary estimate of:
 - £60k in respect of land drainage expenditure at Lloyd Avenue, Marchwood (see separate report on Cabinet agenda)
 - £70k in respect of urgent boiler replacement costs at Ringwood Health and Leisure Centre (see Appendix 4)
 - c) note the financial position of Commercial Services as set out in section 5 of this report.
 - d) 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 2006/07
AND ACTUAL FOR THE PERIOD APRIL 2006 TO JUNE 2006**

	FULL YEAR FORECAST					PERFORMANCE TO JUNE				Outstanding Commitment £000s
	Original Budget £000s	Previous Variations £000s	New Variations £000s	Forecast Outturn £000s	Notes	Profiled Budget £000s	Actual to Date £000s	Actual to Profiled £000s	% of Profile Spent	
Policy & Resources-Direct	5295		10	5305	1	1391	1369	-22	98	7
Policy & Resources-Holding	0			0	2	0	0	0	0	0
Crime & Disorder	678			678	3	229	167	-62	73	1
Economy & Planning	2290		-28	2262	4	149	-33	-182	-22	50
Environment	6111			6111	5	1512	1510	-2	100	120
Housing	1401		-2	1399	6	251	220	-31	88	25
Health & Social Inclusion	1617		-1	1616	7	367	313	-54	85	7
Leisure	2875		156	3031	8	957	1037	80	108	275
General Purpose & Licensing	569		-20	549	9	140	136	-4	97	5
Planning Development Control	842		81	923	10	-30	-49	-19	163	5
Business Unit Asset Rentals	-1025			-1025						
Service Expenditure	20653	0	196	20849		4966	4670	-296	94	495
Capital Financing Provision	769			769						
Vehicles & Equipment Provision	633		-1	632	11					
Interest Earnings	-1000			-1000	12					
Net Expenditure	21056	0	195	21250		4966	4670	-296	94	495
Transfer to (from) Comm. Servs	-52			-52	13					
Transfer to (from) Rev. Res.	0		-98	-98	14					
Transfer to (from) Cap. Fin. Res.	0			0						
Other Transfers to (from) Cap. Reserve	0		-97	-97						
TOTAL REVENUE	21003	0	0	21003		4966	4670	-296	94	495

New Variations – General Fund Revenue Expenditure

£000

1. Finance & Support – Direct

- a) **(BRO - Various)** – A new mobile phone contract has been negotiated, resulting in estimated savings of £11k per annum, £3k of which benefits this portfolio. -3
- b) **Communications (BRO – D Atwill)** – Reduced sponsorship monies are expected to lead to a shortfall in income 13
- 10

2. Finance & Support – Holding Accounts

- a) No new variations to report 0

3. Crime & Disorder

- a) No new variations to report. 0

4. Economy & Planning

- a) **(BRO - Various)** – A new mobile phone contract has been negotiated, resulting in estimated savings of £11k per annum, £2k of which benefits this portfolio. -2

	£000
<u>Economy & Planning continued</u>	
b) Car Parks – (BRO J Bull) – The ICT system for decriminalisation of on street parking was initially going to be funded from the Replacement and Renewals Reserve but was finally fully funded from revenue and external contributions in 2005/06. Therefore, the budgeted annual contribution back to the R&R reserve is no longer required.	-16
c) Planning Delivery Budgets – (BRO C Elliott) – Planning Delivery Budgets of £58,000 have been carried forward from 2005/06 (see report paragraph 2.3 and note 14 below)	58
d) Concessionary Travel – (BRO G Miles) – Concessionary travel was subject to major changes on 1/04/06. Based on uptake figures for the first quarter, expenditure is projected to be £92k less than originally anticipated, as a larger proportion of the over 60s are opting for the free farepass rather than the local travel vouchers.	-92
e) Concessionary Travel – (BRO G Miles) – The projected underspend on d) above will be partially offset by estimated additional expenditure of £36k for free travel on Hythe ferry.	36
f) District Local Plan – (BRO G Ashworth) – The local development framework expenditure requirement in 2005/06 is estimated at £24k, which is £17k less than the budget held within the Portfolio. The balance of the budget will be transferred to the District Local Plan reserve to fund future years expenditure, but in accordance with proper accounting practice this needs to be shown as a Contribution to Reserves cost and a reduction within the Portfolio budget(see paragraph 14 below).	-17
g) Street Naming and Numbering – (BRO R Powell) – Additional costs of £5k have been incurred as a result of a street naming appeal.	5
	<u>-28</u>
<u>5. Environment</u>	
a) No new variations to report.	0
<u>6. Housing</u>	
a) (BRO - Various) – A new mobile phone contract has been negotiated, resulting in estimated savings of £11k per annum, £2k of which benefits this portfolio.	-2
	<u>-2</u>
<u>7. Health & Social Inclusion</u>	
a) (BRO - Various) – A new mobile phone contract has been negotiated, resulting in estimated savings of £11k per annum, £1k of which benefits this portfolio.	-1
	<u>-1</u>
<u>8. Leisure</u>	
a) (BRO - Various) – A new mobile phone contract has been negotiated, resulting in estimated savings of £11k per annum, £1k of which benefits this portfolio.	-1
b) (BRO - Various) – As a result of changed NNDR ratings savings of £6k are expected in 2006/07	-6
c) Dibden Golf Centre (BRO B Millard) – The budgeted contribution from Fawley Parish Council towards the Verti Drain was received in last financial year, resulting in an income shortfall of £2k this year.	2
d) Totton HLC (BRO L Nelson) – The Mr. Bean machine no longer exists and as part of the reception refurbishment the ice cream vending machine had to be removed. Income of £3k will therefore have to be removed from budgets.	3
e) Visitor Centres(BRO A Climpson) – Employees at visitor centres have been regraded, leading to expected additional costs of £2k.	2
f) Ringwood HLC Climbing Wall (BRO E Coote) – The capital expenditure appendix 2 identifies a rephasing of the purchase of a pool vac. The revenue funding implication of this has been vired to enable maintenance work to be carried out on the centre's climbing wall. The corresponding budget reduction is shown in paragraph 11.	1
g) Health and Leisure Centres/ Dibden Golf Centre (BRO B Millard) – A supplementary estimate of £155k is required to address budget shortfalls identified at Health and Leisure Centres and Dibden Golf Centre– a separate report giving full details is attached for Members' information.	155
	<u>156</u>

	£000
<u>9. General Purposes and Licensing</u>	
a) Elections – (BRO R Rutins) – In order to comply with proper accounting practice, the budget for the contribution to the Quadrennial Election Reserve has been transferred from this Committee to the Contribution to Reserves budget (see note 14 below)	-24
b) Elections – (BRO R Rutins) – A supplementary estimate of £4k is required to cover the cost of the Totton West by-election.	4
	<u>-20</u>
<u>10. Planning Development Control</u>	
a) Planning Delivery Budgets (BRO Chris Elliott) – Planning Delivery Budgets of £81,000 have been carried forward from 2005/06 (see note 14 and report paragraph 2.3).	81
<u>11. Vehicles and Equipment Replacement Provision</u>	
a) The rephasing of the purchase of a pool vac at Ringwood HLC results in a reduced revenue replacement charge in 2005/06. The funding has been vired to the Leisure Portfolio to enable maintenance works to be carried out on the centre's climbing wall(see paragraph 8f)	-1
<u>12. Interest Earnings (BRO K Green)</u>	
a) No new variations to report.	0
<u>13. Commercial Services</u>	
a) No new variations to report	0
<u>14. Transfers to/from (-) Revenue Reserves</u>	
a) Report paragraph 2.3 highlights planning delivery budgets totaling £139,000 which have been carried forward from 2005/06, to be funded from reserves. This transfer is offset by a transfer to reserves of £24,000 for the Quadrennial Election, which was originally budgeted for within General Purposes and Licensing Committee(see paragraph 9a above) and £17,000 to the District Local Plan Reserve that was originally budgeted for in Economy & Planning(see paragraph 4e above).	-98
TOTAL ALL NEW VARIATIONS (REVENUE)	<u><u>97</u></u>

**FORECAST FULL YEAR CAPITAL EXPENDITURE 2006/07
AND ACTUAL FOR THE PERIOD APRIL 2006 TO JUNE 2006**

	FULL YEAR FORECAST					PERFORMANCE TO JUNE				Outstanding Commitment £000s
	Original Budget £000s	2005/06 Slippage £000s	New Variations £000s	Forecast Outturn £000s	Notes	Profiled Budget £000s	Actual to Date £000s	Actual to Profiled £000s	% of Profile Spent	
Policy & Resources	2206	338	584	3128	1	420	602	182	143	254
Crime & Disorder	0	21		21	2	0	0	0	0	0
Economy & Planning	551	212	-40	723	3	197	13	-184	7	2
Environment	263	8	80	351	4	68	65	-3	96	9
Env (Coastal Protection)	1674	98	-800	972	5	418	145	-273	35	19
Health & Social Inclusion	0	0	27	27	6	0	0	0	0	0
Leisure	1117	352	66	1535	7	216	151	-65	70	54
Leisure Developers Contrib.	178	100	186	464	8	17	6	-11	35	2
Subtotal Other Services	5989	1129	103	7221		1336	982	-354	74	340
Housing-Private Sector	2117	195		2312	9	358	72	-286	20	0
Housing-Public Sector	5279	135		5414	10	687	707	20	103	358
Subtotal Housing	7396	330	0	7726		1045	779	-266	75	358
TOTAL CAPITAL	13385	1459	103	14947		2381	1761	-620	74	698

New Variations – Capital Expenditure

1. Policy & Resources

- a) **(BRO – Various)** – Rephasing of 05/06 schemes to 06/07
- b) **Scaffolding (BRO – J Mascall)** – A budget of £10,000 is required for the purchase of scaffolding and boarding to ensure compliance with the Working at Height Regulations.
- c) **ICT(BRO – K Connolly)** - Equipment that was to have been purchased from the Replacements and Renewals Reserve in 2005/06 has been rephased into 2006/07. Following a change in funding policy this equipment will now be capitalised and funded from loan resources.

2. Crime & Disorder

- a) **(BRO – Various)** – Rephasing of 05/06 schemes to 06/07

3. Economy & Planning

- a) **(BRO – Various)** – Rephasing of 05/06 schemes to 06/07
- b) **Car Parks Equipment (BRO – J Bull)** – Amenity car park meters and handheld terminals for the parking attendants were purchased in 2005/06 using decriminalised parking set up budgets together with car park maintenance budgets. As a result, £40k of this year's allocation is not required

£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
	338		338
10			10
574			574
584	338	0	922
0	21	0	21
	212		212
-40			-40
-40	212	0	172

4. Environment

- a) **(BRO – Various)** – Rephasing of 05/06 schemes to 06/07
- b) **Calshot Public Conveniences (BRO D Wright)** – Additional costs have been incurred because of the need to investigate alternative sewage disposal options and the relocation of the new building from Spit End to Hillhead
- c) **Lloyd Avenue, Marchwood (BRO D Wright)** – The details of this scheme are included as a separate report on this agenda. £50k of the cost will be funded from developers' contributions and the remainder from a contribution by HCC

5. Environment – Coastal Protection

- a) **(BRO – Various)** – Rephasing of 05/06 schemes to 06/07
- b) **Strategic Monitoring Southwest England Phase 1 (BRO A Bradbury)** – This scheme no longer needs to be included in the capital programme as 100% of costs will be funded by other local authorities and will be accounted for in rechargeable works.

6. Health & Social Inclusion

- a) **Eling Wharf (BRO – C Gallagher)** – A supplementary estimate was approved at July Cabinet for £26,500 in respect of site investigations at Eling Wharf following the identification of heavy metal and oil contaminants on the foreshore. This should be offset by a 100% grant from DEFRA, which is currently being applied for.

7. Leisure

- a) **(BRO – Various)** – Rephasing of 05/06 schemes to 06/07
- b) **Ringwood H&LC – Boiler Replacement (BRO B Millard)** – Full details are contained in appendix 4 of this report.
- c) **Ringwood H&LC (BRO B Millard)** – The pool vac will not need to be purchased in this financial year and as a result the budget is to be rephased to 2007/08.

8. Leisure – Developers Contributions

- a) **(BRO – Various)** – Rephasing of 05/06 schemes to 06/07
- b) **(BRO – M Devine)** – Portfolio Holder decisions in May have led to the following schemes being approved for funding from developers' contributions:
- | | |
|--|-----------------------|
| Ringwood Bickerley | £35k |
| Ringwood and Ellingham Rugby Club | £25k (£150k in 07/08) |
| Totton BMX at Bartley Park | £89k |
| New Milton – Fawcetts Field Study Centre | £5k |
| Milford – Village Green | £2k |
- c) **Jubilee Field, Sway (BRO – M Devine)** – Cabinet resolved on 7 June to make £29,700 available from developers' contributions for the provision of a play area.

TOTAL VARIATION (CAPITAL – OTHER SERVICES)**9. Housing – Private Sector (BRO – L Croker)**

- a) Rephasing of 05/06 Social Housing Grant schemes to 06/07

10. Housing – Public Sector (BRO – D Brown)

- a) Rephasing of 05/06 Major Repairs schemes to 06/07

TOTAL VARIATION (CAPITAL – HOUSING)**TOTAL CAPITAL EXPENDITURE VARIATION**

£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
	8		8
20			20
		60	60
20	8	60	88
	98		98
		-800	-800
0	98	-800	-702
0	0	27	27
	352		352
70			70
	-4		-4
70	348	0	418
	100		100
		156	156
		30	30
0	100	186	286
634	1125	-527	1232
	195		195
0	195	0	195
	135		135
0	135	0	135
0	330	0	330
634	1455	-527	1562

**FORECAST FULL YEAR HOUSING REVENUE ACCOUNT
EXPENDITURE 2006/07
AND ACTUAL FOR THE PERIOD APRIL 2006 TO JUNE 2006**

	FULL YEAR FORECAST					PERFORMANCE TO JUNE				
	Original Budget	Previous Variations	New Variations	Forecast Outturn	Notes	Profiled Budget	Actual to Date	Actual to Profiled	% of Profile Spent	Outstanding Commitment
	£000s	£000s	£000s	£000s		£000s	£000s	£000s		£000s
Dwelling Rent Income	-18076			-18076		-4171	-4184	-13	100	0
Other Rent Income	-618			-618		-142	-147	-5	104	0
Service Charge Income	-1225			-1225		-299	-264	35	88	0
Government Subsidy	6299			6299		633	627	-6	99	0
Other Income	-704			-704		-184	-181	3	98	0
Total Income	-14324	0	0	-14324		-4163	-4149	14	100	0
Reactive Maintenance	1800			1800		300	270	-30	90	378
Cyclical Maintenance/DFG	1553			1553		259	307	48	119	55
Supervision & Management	4917			4917		1239	1142	-97	92	3
Rent Rebates	223			223		56	58	2	104	0
Revenue Cont. to Major										
Repairs	1996			1996		260	280	20	108	0
Capital Financing Costs	379			379		0	0	0	100	0
Depreciation	3283			3283		427	427	0	100	358
Other Expenditure	56			56		33	36	3	109	0
TOTAL EXPENDITURE	14207	0	0	14207		2574	2520	-54	98	794
Deficit/Surplus (-)	-117	0	0	-117		-1589	-1629	-40		794

New Variations – Housing Revenue Account

£000

1. No new variations to report for this period –

In addition to a restructuring of the housing service, substantial reviews of the provision of sheltered housing and of central control are taking place. The potential impact of these on the 2006/07 budget will be reported as soon as appropriate numeric information becomes available. At this stage it is not anticipated that there will be an overall adverse effect on the current Housing Revenue Account forecast.

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Ringwood H&L Centre – Boilers Replacement Scheme

The existing pair of cast iron boilers at Ringwood are the original installation and have recently begun to fail. One boiler has been leaking for some months and has now been shut down; the other is operating at well below an acceptable efficiency and is also likely to begin to crack and leak in the near future. The boilers were oil-fired originally but many years ago were converted to burn gas. At Ringwood (and Applemore) there is now installed a combined heat and power (CHP) plant, which acts as “lead boiler” – so that for Spring, Summer and Autumn there is a much reduced need for the old boilers to fire, making Summer the ideal time to undertake the boilers replacement. An unscheduled boilers failure in winter would mean a protracted and unplanned closure of the Centre, with significant income implications.

Given these circumstances - that it is important and urgent to get on with the replacement scheme now – The Director of Resources has waived Financial Regulations as to specifying and tendering this scheme.

The current cost estimate for the scheme is £70,000. This includes for system water treatment, improved circuits with replacement pipe-work systems, modern electronic controls, new flues and new high efficiency boilers. The economic life of the new system is expected to be 25 years. In 2005-06, Ringwood’s gas consumption was 20% up on previous years largely due to boiler inefficiency; the annual gas cost was £50,000.

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PORTFOLIO: LEISURE

SUPPLEMENTARY ESTIMATE

1. INTRODUCTION

- 1.1 There is a requirement for supplementary funding at the Golf Centre and across the Health and Leisure Centres in this financial year.
- 1.2 A number of the requests will result in Expenditure Plan bids for 2007/08 onwards.

2. CURRENT POSITION

- 2.1 The funding request has arisen from a number of sources:
 - 2.1.1 A shortfall against income at a number of the Health and Leisure Centres in 05/06 which is likely to continue in 06/07.
 - 2.1.2 Additional Employee costs at Ringwood Health and Leisure Centre incurred in 05/06 which will continue in 06/07 and beyond.
 - 2.1.3 One off costs for an essential maintenance project at Lymington Health and Leisure Centre.
 - 2.1.4 A reinstatement of a previously deleted Expenditure Plan bid for additional fitness instructor resources across the Health and Leisure Centres.
 - 2.1.5 The effect of the World Cup on income across the Service.
 - 2.1.6 A projected shortfall in income at Dibden Golf Centre.

3. FINANCIAL IMPLICATIONS

- 3.1 Supplementary funding of £155,000 is requested in 2006/07 to cover the income shortfall and increased costs.
- 3.2 Appendix 1 provides a summary of the funding requested. The items shown on a black background will be ongoing and as such the subject of an Expenditure Plan bid.
- 3.3 Details of each item are as follows:
 - 3.3.1 PPM – Lymington Heat Pump. This expenditure was included in last year's budget but the work was unable to proceed. It was agreed with the Director of Resources that the funding should be declared as a saving in 2005/06 and appear as a supplementary bid in 2006/07.
 - 3.3.2 Instructor costs - Following a prolonged closure in 04/05 the projected income for Ringwood Health and Leisure Centre in 2005/06 was estimated as £80,000 below the original budget. The Centre did in fact achieve the budgeted figure but incurred additional instructor costs in doing so. Those costs will continue into this year if the 06/07 income target is to be achieved.

3.3.3 Employee Pension Contributions – Pension contributions for employees at Applemore Health and Leisure Centre have been underestimated for 06/07.

3.3.4 Fees and Charges.

a) Applemore H&L – Applemore failed to reach its original income target by £77,000 in 05/06. This was as a result of:

- The ongoing effects of the Main Hall closure on the Fitness programme.
- A shortfall of sunbed income.
- A fall in the demand for Casual swimming.
- The effect of the opening of the new Gym at Lymington.

It is unlikely that these areas of the business will recover to any great extent in 06/07.

b) Totton Health and Leisure Centre – Totton failed to reach its original income target by £49,000 in 05/06. This was as a result of:

- A downturn in the demand for casual swimming.
- The effect on fitness income of the new facilities at Romsey Rapids.

It is unlikely that these areas of the business will recover to any great extent in 06/07.

These bids for shortfall in income will be mitigated by a projected over-performance at Lymington of £40,000.

c) World Cup – The World Cup affected business across all sites and most notably at Dibden in June and July.

d) Dibden Golf Centre – This year Dibden experienced the wettest May on record and a resulting shortfall in income of £20,000. It is unlikely that this will be recovered this year.

4. CRIME AND DISORDER IMPLICATIONS

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

5. ENVIRONMENTAL IMPLICATIONS

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

For further information:

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Background Papers:

None

Supplementary Funding 2006/07

	Dibden £	Applemore £	New Milton £	Ringwood £	Lymington £	Totton £	All Centres £	Total £
Expenditure								
PPM - Lymington Heat Pump					42,000			42,000
Instructor Costs				27,000				27,000
Pension Contribution		6,000						6,000
Instructors one-off removed							17,000	17,000
Income								
Fees & Charges - Shortfall	20,000	37,000				27,000		84,000
Fees & Charges - Shortfall World Cup	8,000	3,000	1,000	3,000	2,000	2,000		19,000
Fees & Charges - Additional					-40,000			-40,000
Total Funding Required	28,000	46,000	1,000	30,000	4,000	29,000	17,000	155,000

Will be subject to Expenditure Plan bid