

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

2. GENERAL FUND (APPENDIX 1)

- 2.1 Total new variations to August show an estimated decrease in expenditure of £128,000, bringing the total reported variations for the year to a net decrease in expenditure of £31,000.
- 2.2 Excluding budget virements, the major variations are listed below, but full details are set out in Appendix 1.

VARIATIONS	£'000
Policy, Conservation, Trees etc. (Economy & Planning)	20
Land Charges (Economy & Planning)	-80
Refuse and Waste (Environment)	39
Stillwater Park (Housing)	-25
Community Meals (Health & Social Inclusion)	-38
Environmental Protection (Health and Social Inclusion)	25
Interest Earnings	-70
Other	1
Total	-128

- 2.3 Appendix 1 shows that actual expenditure at the end of August is £237,000 below the profiled budget expenditure, but this is more than offset by outstanding commitments of £364,000.

3. CAPITAL EXPENDITURE (APPENDIX 2)

3.1 Other Services (Excluding Housing)

3.1.1 New variations show a decrease in 2006/07 expenditure of £120,000, but excluding items of rephasing, virement, developers' contributions and external funding, there is an increased call on the Council's capital resources of £102,000. The expenditure decrease is summarised in the table below:

VARIATIONS	£'000
Ringwood Long Stay (Economy & Planning)	-57
Totton Town Centre (Economy & Planning)	-70
Marchwood RNAD (Environment)	-207
Hurst Spit (Environment)	-50
Regional Monitoring (Environment)	48
North Solent (Environment)	-30
DDA (Leisure)	54
Marchwood Youth Centre (Leisure)	-40
Eling Tide Mill (Leisure)	102
West Totton Centre (Leisure)	118
Other	12
Total	-120

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

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

IMPACT ON CAPITAL RESOURCES	£'000
Rephasing from/to 2007/08 & 2008/09	-406
External Funding	130
Transfer from Revenue	54
Variations falling on Council's Capital Resources	102
Total	-120

3.2 Housing

There are no new variations to report in respect of Housing in August.

4. HOUSING REVENUE ACCOUNT (APPENDIX 3)

- 4.1 The full implications of the restructuring of the service are currently being assessed and determined as part of the expenditure plan process and the impact on this financial year will be reported as soon as this has been concluded. Alongside this, substantial reviews of the provision of sheltered housing and of central control are still taking place. At this stage it is not anticipated that there will be an overall adverse effect on the current Housing Revenue Account forecast.
- 4.2 Appendix 3 shows that actual net surplus at the end of August is £828,000 ahead of the profiled budget surplus, but this is largely due to the phasing of repairs and maintenance expenditure and more than offset by outstanding commitments.

5. COMMERCIAL SERVICES

- 5.1 The current Commercial Services budget surplus target on General Fund activities is £52k. Performance to date indicates that this target is unlikely to be achieved. One of the main contributors to the surplus is the engineering works section, through its partnership contract with Raynesway Construction for HCC highways term maintenance. Reduced turnover and increasing pressures on the schedule of rate prices due to insufficient past annual price increases have significantly eroded margins on this area of work. A more detailed estimate of a revised surplus target will be reported in the next financial monitoring report to Cabinet.

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;
 - b) approve the revised capital expenditure programme as set out in Appendix 2;

- c) note the financial position of Commercial Services as set out in section 5 of this report; and
- 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 Please Contact:

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**FORECAST GENERAL FUND FULL YEAR REVENUE
EXPENDITURE 2006/07
AND ACTUAL FOR THE PERIOD APRIL 2006 TO AUGUST 2006**

	FULL YEAR FORECAST					PERFORMANCE TO AUGUST				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	
Finance & Efficiency-Direct	5295	10	-93	5212	1	2171	2099	-72	97	6
Finance & Efficiency-Holding	0	0		0	2	0	0	0	0	0
Crime & Disorder	678	0		678	3	268	268	0	100	3
Economy & Planning	2290	-28	-60	2202	4	333	124	-209	37	53
Environment	6111	0	37	6148	5	2672	2664	-8	100	40
Housing	1401	-2	-25	1374	6	500	458	-42	92	19
Health & Social Inclusion	1617	-1	-13	1603	7	621	599	-22	96	6
Leisure	2875	156	32	3063	8	1583	1678	95	106	232
General Purpose & Licensing	569	-20	10	559	9	235	239	4	102	1
Planning Development Control	842	81		923	10	186	203	17	109	4
Business Unit Asset Rentals	-1025	0		-1025						
Service Expenditure	20653	196	-112	20737		8569	8332	-237	97	364
Capital Financing Provision	769	0	54	823	11					
Vehicles & Equipment Provision	633	-1		632	12					
Interest Earnings	-1000	0	-70	-1070	13					
Net Expenditure	21055	195	-128	21122		8569	8332	-237	97	364
Transfer to (from) Comm. Servs	-52	0		-52	14					
Transfer to (from) Rev. Res.	0	-98		-98	15					
Transfers to (from) Cap Programme	0	-97	128	31	16					
TOTAL REVENUE	21003	0	0	21003		8569	8332	-237	97	364

New Variations – General Fund Revenue Expenditure

£000

1. Finance & Efficiency– Direct

- a) **Balances Unallocated (BRO R Powell)** – A reduction of £15k in telephone costs has been identified due to increased use of HPSN and e-mail. -15
- b) **Unapportionable Overheads (BRO K Green)** – A virement of £10k has been actioned from the Contingency Fund into General Purposes and Licensing to cover additional costs of electoral registration canvassing. -10
- c) **Unapportionable Overheads (BRO K Green)** – A programme of DDA works has now been scheduled for which £80,000 had been included in the Contingency Fund. Of this sum, £14,000 has been vired to Leisure for revenue expenditure items and £54,000 has been transferred to the Leisure Capital Programme. The balance of costs remains in this Portfolio. -68
-
- 93**

2. Finance & Efficiency – Holding Accounts

- a) No new variations to report. 0
-
- 0**

3. Crime & Disorder

- a) No new variations to report. 0
-
- 0**

4. Economy & Planning

- a) **Policy, Conservation, Trees & Env Action (BRO C Elliott)** – This additional expenditure is for consultants for technical and financial appraisal work relating to 'Options for Development in Ringwood Town Centre'. The details are reported separately on the agenda for this meeting. 20

	£000
<u>Economy & Planning (continued)</u>	
b) Land Charges (BRO C Elliott) – Increased levels of applications in this year have resulted in additional income of £80k.	-80
	<u>-60</u>
<u>5. Environment</u>	
a) Refuse & Waste (BRO C Read) – A supplementary estimate of £25k is being sought due to increases in the demand for and the price of fuel.	25
b) Refuse & Waste (BRO C Read) – A Portfolio Holder decision was made on 16 Feb to cease commercial waste collections. It is proposed to utilise the driver and vehicle now to extend the clear sack recycling scheme into those remote areas not yet covered by the scheme. In order to achieve this, a virement of £11k from Refuse Collection to Recycling and a supplementary estimate of £14k are required.	14
c) (BRO - Various) – A new mobile phone contract has been negotiated, resulting in estimated savings of £11k per annum, £2k of which benefits this portfolio. The balance was reported in the first financial monitoring report in August.	-2
	<u>37</u>
<u>6. Housing</u>	
a) Stillwater Park (BRO D Brown) – Mobile home sale income is £25k above target to date.	-25
	<u>-25</u>
<u>7. Health & Social Inclusion</u>	
a) Community Meals (BRO S Plumridge) – A separate report to CMT and Cabinet details additional savings of £38k on Meals on Wheels.	-38
b) Environmental Protection (BRO C Gallagher) – A supplementary estimate of £25k has been authorised to cover legal and expert witness costs associated with the investigation of noise nuisance from kennels at Hythe.	25
	<u>-13</u>
<u>8. Leisure</u>	
a) DDA (BRO – H Renwick) – Report B to CMT on 25 th July 2006 outlined the allocation of the 2006/07 DDA budget. £14k relates to revenue expenditure items in the Leisure Portfolio and therefore budget has been vired from the Contingency Fund within the Finance and Efficiency Portfolio.	14
b) Dibden Golf Centre Catering (BRO S Plumridge) – A supplementary estimate of £18k is required due to an expected negative variation on bar sales/purchases by the end of the year (£7.5k), an overspend of £3k due to rising maintenance costs and loss of income due to the expected closure of the facility for major refurbishment work in early 2007.	18
	<u>32</u>
<u>9. General Purposes and Licensing</u>	
a) Registration of Electors (BRO R Rutins) – A virement of £10k has been actioned from the Contingency Fund into General Purposes and Licensing to cover additional costs of electoral registration canvassing.	10
	<u>10</u>
<u>10. Planning Development Control</u>	
a) No new variations to report	0
	<u>0</u>
<u>11. Capital Financing Provision (BRO K Green)</u>	
a) Following the allocation of £54,000 of the DDA programme to Leisure Capital, virement of the equivalent budget is required from the Finance and Efficiency Portfolio to the Capital Financing Provision in order to balance capital and revenue resources.	54
	<u>54</u>
<u>12. Vehicles and Equipment Replacement Provision</u>	
b) No new variations to report	0
	<u>0</u>
<u>13. Interest Earnings (BRO K Green)</u>	
a) An increase of £70k in interest earnings is projected due to an increase in interest rate expectations (£43k) and due to cash flow adjustments (£27k).	-70
	<u>-70</u>
<u>14. Commercial Services</u>	
a) No new variations to report	0
	<u>0</u>

£000

15. Transfers to/from (-) Revenue Reserves (BRO K Green)

a) No new variations to report

0**0****TOTAL ALL NEW VARIATIONS (REVENUE)****-128**

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

	FULL YEAR FORECAST					PERFORMANCE TO AUGUST				Outstanding Commitment
	Original Budget	Previous Variations	New Variations	Forecast Outturn	Notes	Profiled Budget	Actual to Date	Actual to Profiled	% of Profile Spent	
	£000s	£000s	£000s	£000s		£000s	£000s	£000s		£000s
Finance & Efficiency	2206	922	2	3130	1	830	677	-153	82	198
Crime & Disorder	0	21		21	2	0	0	0	0	0
Economy & Planning	551	172	-334	389	3	308	11	-297	4	4
Environment	263	88		351	4	147	77	-70	52	0
Env (Coastal Protection)	1674	-702	-32	940	5	376	274	-102	73	14
Health & Social Inclusion	0	27		27	6	778	-9	-787	-1	56
Leisure	1117	418	114	1649	7	354	243	-111	69	140
Leisure Developers Contrib.	178	286	130	594	8	116	102	-14	88	0
Subtotal Other Services	5989	1232	-120	7101		2909	1375	-1534	47	412
Housing-Private Sector	2117	195		2312	9	675	202	-473	30	0
Housing-Public Sector	5279	135		5414	10	1320	1336	16	101	500
Subtotal Housing	7396	330	0	7726		1995	1538	-457	77	500
TOTAL CAPITAL	13385	1562	-120	14827		4904	2913	-1991	59	912

New Variations – Capital Expenditure

1. Finance & Efficiency

- a) **IT Equipment (BRO – Various)** – A virement has taken place from the Leisure capital equipment budget to the IT programme for the purchase of 2 laptops for the tourism section.

2. Crime & Disorder

- a) No new variations to report.

3. Economy & Planning

- a) **Ringwood Long Stay Additional Spaces (BRO J Bull)** – Based on recommendations by a Member group this scheme will not now go ahead until full consultation on options for development in Ringwood town centre has taken place.
- b) **Totton Town Centre (BRO N Williamson)** – £70k of this budget needs to be rephased to 2007/08 as a result of delays in decisions by Hampshire County Council and Totton & Eling Town Council.
- c) **Marchwood RNAD (BRO D Wright)** – The bulk of the expenditure has to be rephased to 2007/08 and 2008/09 as no additional funds will be available from DEFRA in this year to fund higher than expected costs following a tender exercise .

£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
2			2
2	0	0	2
0	0	0	0
	-57		-57
	-70		-70
	-207		-207
0	-334	0	-334

4. Environment

- a) No new variations to report

5. Environment – Coastal Protection

- a) **Hurst Spit (BRO A Bradbury)** – DEFRA approval of this scheme will not be received this financial year and as a result £50k needs to be rephased into 2007/08.
- b) **Regional Monitoring (BRO A Bradbury)** – An element of the programme allows for the installation and maintenance of hydrodynamic instrumentation. Some elements of this programme have been rephased, such as the renewal of the instrumentation at Lymington, which will now go ahead this year.
- c) **North Solent SMP Review (BRO A Bradbury)** – Approval of this scheme has just been received. However, work cannot progress until completion of the West Solent Strategy Study and rephasing to next year is therefore necessary

6. Health and Social Inclusion

- a) No new variations to report

7. Leisure

- a) **IT Equipment (BRO – Various)** – A virement has taken place from the Leisure capital equipment budget to the IT programme for the purchase of 2 laptops for the tourism section.
- b) **DDA (BRO – H Renwick)** – Report B to CMT on 25th July 2006 outlined the allocation of the 2006/07 DDA budget, of which £54k relates to the Leisure Portfolio.
- c) **Marchwood Youth Centre (BRO M Devine)** – A rephasing of £40k of this scheme to 2007/08 was agreed by Cabinet on 6 September.
- d) **Eling Tide Mill (BRO M Devine)** – A supplementary estimate of £102k to finance further expenditure on Eling Tide Mill was agreed by Cabinet on 6 September.

8. Leisure – Developers Contributions

- a) **West Totton Centre (BRO M Devine)** – £118k of Developers Contributions were allocated to this scheme on the basis of a Portfolio Holder decision in July.
- b) **Fordingbridge Play Area (BRO M Devine)** – £12k of Developers Contributions were allocated to this scheme on the basis of a Portfolio Holder decision in July.

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

- a) No new variations to report.

10. Housing – Public Sector

- a) No new variations to report.

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

£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
0	0	0	0
	-50		-50
	48		48
	-30		-30
0	-32	0	-32
0	0	0	0
-2			-2
		54	54
	-40		-40
102			102
100	-40	54	114
		118	118
		12	12
0	0	130	130
102	-366	184	-80
0	0	0	0
0	0	0	0
0	0	0	0
102	-406	184	-120

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

	FULL YEAR FORECAST					PERFORMANCE TO AUGUST				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	
Dwelling Rent Income	-18076	0		-18076		-7299	-7327	-28	100	0
Other Rent Income	-618	0		-618		-249	-243	6	98	0
Service Charge Income	-1225	0		-1225		-494	-464	30	94	0
Other Subsidy	6299	0		6299		2520	2506	-14	99	0
Other Income	-704	0		-704		-368	-433	-65	118	0
Total Income	-14324	0	0	-14324		-5890	-5961	-71	101	0
Reactive Maintenance	1800	0		1800		600	548	-52	91	404
Cyclical Maintenance/DFG	1553	0		1553		582	496	-86	85	26
Supervision & Management	4917	0		4917		2032	1871	-161	92	3
Rent Rebates	223	0		223		93	97	4	104	0
Revenue Cont. to Major Repairs	1996	0		1996		699	0	-699	0	0
Capital Financing Costs	379	0		379		85	139	54	164	0
Depreciation	3283	0		3283		1149	1337	188	116	500
Other Expenditure	56	0		56		38	33	-5	87	0
Capital Expenditure charged to Revenue	0	0		0		0	0	0	0	0
TOTAL EXPENDITURE	14207	0	0	14207		5278	4521	-757	86	933
Deficit/Surplus (-)	-117	0	0	-117		-612	-1440	-828		933

New Variations – Housing Revenue Account

1. No new variations to report

£000

0