

GENERAL FUND REVENUE BUDGET 2007/08 AND CAPITAL PROGRAMME 2007/11

1. INTRODUCTION

- 1.1 Members considered an Expenditure Plan report at the November meeting that outlined some initial proposals for new expenditure and suggested savings that could be made. Due to the financial forecast, new bids had only been identified that were of an unavoidable nature or items that were, by their nature, of vital importance.
- 1.2 Officers continue to develop proposals that improve efficiency as a means of creating the financial capacity to invest in new or enhanced services. Much of this work will continue well beyond the budget setting process and into the new financial year.
- 1.3 The purpose of this report is to update Members on the work that has taken place since November to date, the provisional revenue grant settlement, and proposals that affect the General Fund budget.

2. LOCAL GOVERNMENT FINANCE SETTLEMENT

- 2.1 It must be stressed that the following information is based on the provisional grant settlement announced by the Department of Communities and Local Government and is subject to consultation. It is possible, but unlikely, that the final settlement may differ but any changes are not likely to be material.
- 2.2 The 2007/08 settlement is the second year of a two year settlement. For 2008/09 local government enters the start of a three year settlement period that will bring greater stability to the medium term financial position of local authorities. This will however follow a major spending review all the signs of which indicate that this will be the most difficult faced by local government for many years. The Local Government Minister assured local government that the 2007/08 settlement will hold no surprises. Subject to the final settlement announcement, by and large, this appears to be the case.
- 2.3 The following table sets out the grant settlements for 2005/06 to 2006/07 and the provisional settlement for 2007/08.

	2005/06 £000	2006/07 £000	2007/08 £000
RSG	4584	1734	1607
NDR	4945	9033	9580
TOTAL SETTLEMENT	9529	10767	11187

3. EXTERNAL RESOURCES AVAILABLE

As well as the grants awarded through the grant settlement there are other external resources available to the Council for 2007/08 the major of which are identified below:-

3.1 Coast Protection

Coastal grants are allocated by DEFRA. The financial constraints on this Department are well documented and although the Council has, and continues to be, successful in attracting grant funding for local coastal protection works the level of resources available for distribution are reducing. Schemes are now being fully funded and therefore the potential call upon local resources has diminished. Although this has reduced the potential liability for local taxpayers, it has resulted in less resources being available and many priority schemes not obtaining approval.

3.2 Planning Delivery Grant

The Council is anticipating that it will receive £300k of PDG for 2007/08. This compares to a sum of £400k that it received in the current financial year. The reduction in support is largely due to a reduction in the national level of resources being allocated to the programme. It is unclear whether any resources will be allocated to PDG following the FSR next year. If it does not, the Council will need to automatically fund that element of the grant that is currently being used for non planning activities and to take a decision over the planning support that is currently funded by PDG.

3.3 Waste Performance Efficiency Grant (WPEG)

Notification of the grant the Council receives from DEFRA to support recycling initiatives has just been received. This grant is based partly on population and partly on performance. For 2007/08 the Council have received an allocation of £153K. Although the overall funding level of WPEG post 2007/08 is subject to CSR07, the Government have decided their future grants will be allocated via the local area agreement framework. It is therefore unclear how much, if any, of this grant stream will be received by this Council in 2008/09 and beyond.

4. INTERNAL RESOURCES

4.1 Council Tax Base

The Council tax base represents the number of dwellings within the district, adjusted to take account of those benefiting from discounts and exemptions, expressed in terms of Band D properties. The tax base for 2007/08 has increased to £71,687 and is an increase of £582 from 2006/07.

- 4.2 This increase is greater than has been reflected in previous years and is primarily due to an increase in the anticipated collection rate. Historical collection levels have been assumed to be 98% however due to more proactive management of debts it is appropriate to increase this to 98.5%.
- 4.3 Members should be aware that to achieve such high collection rates officers are required to adopt robust collection methods. Many other factors, outside the control of the service, affect the level of collection and therefore officers will continue to monitor this performance indicator very closely.

4.4 **Collection Fund Surplus**

The Council acts as the council tax collection agent for the County and local councils, and the Fire and Police Authorities. Due to the aforementioned levels of collection it is possible to increase the collection surplus by £44,000 for 2007/08. This will increase the overall collection fund surplus attributable to this Council to £226,000 for 2007/08. This is only possible for 2007/08 as the impact of the new collection level will automatically adjust this position for future years.

4.5 **Interest Rates**

It is proposed to increase the projection of the level of interest income that the Council has built into the medium term financial projections. This is partly due to an improved forecast of the cash-flow movements and partly due to greater stability in long term interest rate forecasts. Although recent base rate movements had been anticipated, it had been assumed that there would be a further base rate cut before the end of the financial year. Due to the current position of the economy this is unlikely to happen before the autumn at the earliest. It is therefore reasonable to remove that assumption from the financial forecast. In addition a more realistic assessment has been made of capital expenditure profiles.

5. **RESERVES**

5.1 **General Fund Balance**

5.1.1 The General Fund Balance is used to meet any additional unplanned revenue expenditure. A risk assessment has been undertaken in previous years to assess the robustness of the Council's proposed balance. This has been updated and is attached as Appendix 1.

The level of risk associated with income generation has again been mitigated with a further reduction in Health and Leisure Centre budgeted income. However, significant concerns exist over the level of income that may be generated from Land Searches (LLCI). These two significant income generating activities still have a major impact on the Council's ability to achieve the forecast income included within the budget. As these targets have in total reduced by over £300k for 2007/08 the level of risk of not achieving within the year has reduced.

5.1.2 Decriminalised parking income was highlighted as a budget concern in 2006 as it was a new activity for the Council. That concern has proven to be justified as the level of income generated from on-street excess charge notices has not reached the level predicted by the Consultant employed to help the Council implement the scheme. Members will be aware that the on-street account should break even. Based on current activity levels, this will not occur without some proactive action such as on-street charging. The off-street parking account has seen a movement between clock and pay & display income but overall is in excess of that originally estimated. This additional income has negated the shortfall in the on-street account leaving the total parking account balanced. Most other District Councils have however seen reductions in parking income following the introduction of the free bus pass. Officers will continue to monitor this position closely.

5.2 **Capital Reserve**

The Capital reserve is used as one of the financing tools for the funding of the capital programme. As can be seen from Appendix 4 the Council has a fully funded capital programme for the period.

The forecast balance on the reserve as at 1 April 2007 is £1.640m but this will vary depending upon the timing of actual expenditure and slippage on individual schemes.

5.3 **Developers Contributions**

The balance on the reserve for developers' contributions as at 1 April 2007 is forecast to be £3.468m. Utilisation of these resources must be in accordance with the terms of the original section 106 agreement and therefore their use is restricted.

6. **FEES AND CHARGES**

- 6.1 The Cabinet have considered all fees and charges proposals which were set against the backcloth of the approved Fees and Charges Policy. This requires the Council to set fees and charges at a level that will maximise the level of income to the Council. Such decisions should take account of market forces for the particular service and comparisons with other local authority and private sector providers. The Cabinet's proposals were considered by the Review Panel's in November and their comments were considered by the Cabinet in December.
- 6.2 Due to previous charging proposals that have attempted to maximise the income received for services delivered to the community, no significant changes are proposed in this report.

7. EFFICIENCY PROGRAMME

- 7.1 Members are aware that the Council is required to identify efficiency savings of broadly 2.5% of net revenue expenditure (this excludes grants and benefits but includes the Housing Revenue Account). The target of £680k per annum can be a mixture of cashable and non cashable savings. The latter being where the service has improved in qualitative or quantitative terms but the resource inputs remain the same.
- 7.2 It is likely that, as part of the Comprehensive Spending Review 07, the Government will require local authorities to further develop their approach to efficiencies. It is possible that this will be subsumed within the Revenue Support Grant Settlement. If this happens, the focus for all local authorities will be cash backed efficiencies.
- 7.3 The Council have an efficiency work programme which has delivered some significant savings already included in this and previous expenditure plan reports. Following an efficiency review, and the appointment of a lead member with responsibility for efficiency the agenda is growing in profile and momentum. It is clear that the Council must maximise efficiency opportunities to create financial capacity within the organisation. A more detailed report will be presented to the Cabinet on this subject in the New Year.

8. RISK MANAGEMENT

- 8.1 As mentioned earlier in this report a risk assessment has been undertaken to determine the adequacy of the General Fund Balance. The Chief Financial Officer is required to provide an assessment of the robustness of the budget in order to give the Council confidence that financial projections included within the budget are achievable and sustainable. This statement is included as Appendix 2 to this report and outlines the confidence that Chief Financial Officer has on the Council's financial position and the robustness of the proposed budget.
- 8.2 All expenditure plan proposals require a risk assessment to be undertaken as part of the bidding process. This assessment should identify whole of life costs and benefits, exit strategies, if applicable, and how the proposals help the Council deliver its corporate objectives.
- 8.3 Overall this year's budget process has taken a more balanced approach to risk. Whilst more realistic targets have been set in major areas of income generation, that more accurately reflect current market forces, a more bullish has been made in other areas such as investment income.
- 8.4 Other external risks could impact on the budget for 2007/08 such as the Councils ability to generate income from land charge searches due to possible legislative changes. The opening of new pay negotiations could also lead to unbudgeted expenditure. A three year agreement expired in April 2006 and new negotiations will commence in the near future. Although provision has been made for an affordable settlement should the Council need to defer to the national agreement this may be in excess of what has been included within the base budget. As staffing costs are the largest input cost this could have a significant impact on the Council's resources.

8.5 The above risks must however be balanced against the historical outturn position. The General Fund outturn has historically demonstrated an under spend against the original budget, and in the last two financial years this has been significant. This budget is therefore adopting a more balanced view of some of the financial risks, as outlined above, particularly against the backcloth of the robust General Fund Balance.

9. NEW PROPOSALS

Officers have continued to work on both expenditure plan proposals that have previously been approved and to develop new proposals for Cabinet to consider. The new revenue proposals are outlined within Appendix 3 and the capital within Appendix 4. If these proposals are approved the Cabinet will be in a position, at this stage, to recommend a balanced revenue budget and fully funded capital programme.

10. DRAFT GENERAL FUND BUDGET FOR 2007/08

10.1 The draft net budget for the General Fund, shown in Appendix 3 to this report, is currently £21.823m and includes the following:

- Expenditure Plan bids, savings and additional income considered by the Cabinet and Review Panels in November;
- Additional net savings amounting to £718K for the General Fund, arising since the last forecast considered by Cabinet in November, which are detailed within Appendix 3;
- A pay award of 2.5% and increments of 1.6% for employees' salaries from 1 April 2007, and general inflation of 3% has been allowed for on income budgets and 2.5% on most other expenditure items.

10.2 The programme for capital expenditure covering the period 2006/07 to 2010/2011 was initially reported to Cabinet in November and subsequently considered by Review Panels in the November cycle of meetings.

11. PORTFOLIO HOLDER COMMENTS

The Portfolio Holder supports the proposals contained in this budget. He does, however, reserve his final position until the Scrutiny Panels and Committees have had the opportunity to comment further on the changes that have been made.

12. EMPLOYEE SIDE COMMENTS

To follow.

13. RECOMMENDATIONS

It is recommended that:

- 13.1 The Review Panels be asked to consider the proposals contained in this report and their comments be considered by the Cabinet in February before making their final budget recommendations to Council.
- 13.2 The amendments to the Expenditure Plan revenue proposals contained in Appendix 3 are agreed subject to Review Panel comments and final budget considerations.
- 13.3 The risk assessment and Section 25 Statement contained in Appendices 1 and 2 be noted.
- 13.4 The capital expenditure plan proposals contained in Appendix 4 are agreed subject to Review Panel comments and final budget considerations.

For Further Information:

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Background Papers:

Cabinet Report - November 2006
Revenue Support Grant Settlement
Financial Strategy 2006-2010

RISK ASSESSMENT OF GENERAL FUND BALANCE – 2006/07

Area of Risk	Value of Activity £m	% Error or Likelihood of Event	£000 Reserve	Comment
Inflation				
Salaries and Wages	23.0	0.50	115	No long term pay agreement in place. Mitigated by PSBR concerns. Cash limiting of supplies and services will create pressure
Premises	6.0	5.00	300	
Transport	4.0	3.00	120	
Supplies and Services	12.0	2.00	240	
Council Tax and housing	24.0	0.50	120	
Benefits				
Income Volatility				
Fees and charges	5.5	5.00	275	Pressure on Health and Leisure Centres Catering, Land Charges
Car parking clock	1.0	5.00	50	
Interest Rates				
Investment returns	22.0	1.00	220	20% of £1.1m interest earnings at 5%
Other Budgets				
Vacancy factor not achieved	0.4	25.0	100	
Additional capital requirement			100	
VAT				
Breach of partial exemption limit	0.3	75.00	187	Based on 2006/07 activity levels
Emergency Planning				
Belwin Threshold		10.0	40	

Risk Based Assessment of General Fund Balance for 2006/07 = £1,867,000

STATEMENT ON THE GENERAL FUND BUDGET PROPOSALS BY THE CHIEF FINANCIAL OFFICER

Section 25 of the Local Government Act 2003 imposes a duty on the Chief Financial Officer to report to the budget setting Council on the following matters:-

- a. The robustness of the estimates made for the purpose of the calculations (to set the council tax) and;
- b. The adequacy of the proposed financial reserves.

Robustness of the estimates

The budget is constructed using numerous estimates that take account of a plethora of different factors and issues some involving quite complex forecasts. By definition the estimates are not facts but are best guesses of expenditure and income some of which will not be expended until 15 months after the budget was first considered by Members.

The key elements of the budget are the provision that is made for inflation on pay and prices, projected levels of income (including investments) achieving the budgeted cost reductions and delivering the service developments within the resources that have been allocated. Particular issues that need to be highlighted are as follows:-

- The Council's budget is constructed in an incremental basis which therefore assumes that the previous year's budget reflected the cost of providing those services. Where this is not the case an expenditure bid/saving is used to adjust the level of resources allocated.
- There is increased uncertainty over the level of pay award for 2007/08 due to the long term agreement having expired
- Expenditure plan savings are clearly allocated to individual officers
- The only non service specific saving relates to staffing turnover. The level of saving has been increased for 2007/08 and will require proactive management to advance.
- Although there is no contingency within the budget the level of the General Fund Balance has been subject to a risk assessment and is deemed more than adequate. (Please see comment below).
- Uncertainty over certain income generating activities will need to be closely monitored and action taken if appropriate.

Adequacy of proposed financial reserves

The Council holds a number of specific reserves.

- The General Fund Balance is used to cover general unforeseen items of expenditure that cannot be funded within the base budget (revenue or capital) in any particular year. If drawn upon the Balance is replenished as part of the following budget process.
- The Council also retains a capital reserve which is used for the funding of the capital programme. It is increased annually by contributions from revenue and by capital receipts. The level of the balance is sufficient to cover the four year capital programme that is included within detailed budget proposals.
- No assumption has been made over future capital receipts that could be generated, save for those generated from sale of council houses. These sales are specifically ear marked for housing purposes and therefore become ring-fenced. The level of the housing capital programme is dependant upon these receipts and therefore could easily be adjusted at any time in the future if these projections do not accurately reflect actual sales.
- The Repairs and Renewals Reserve has been established to provide the most cost effective for funding capital equipment. The level of balance will be reviewed in 2007/08 to ensure unnecessary resources are not retained unnecessarily.
- There is neither legal definition nor Audit Commission recommendation on the absolute level of reserves that any authority should hold.
- Projections of both the General Fund Balance and Capital Reserve are provided for Members and at no time do the above reserves fall into a deficit position.

NEW FOREST DISTRICT COUNCIL
DRAFT GENERAL FUND FORECAST 2007/08 TO 2010/11

<u>21/12/2006</u>	2006/07	2007/08	2008/09	2009/10	2010/11
	£000	£000	£000	£000	£000
Net Portfolio Requirements	21234	21003	21823	22112	22456
Est. Inflation (salary related)	0	620	640	660	680
Other Inflation	0	248	200	200	210
Sub Total (A)	21234	21871	22663	22972	23346
Capital Financing Provision	769	0			
Sub Total (B)	22003	21871	22663	22972	23346
Less Interest on Balances(net)	-1000	-130	100	50	50
Sub Total (C)	21003	21741	22763	23022	23396
Budget Requirements Total (D)	21003	21741	22763	23022	23396
Add Expenditure Plan Bids					
Finance & Efficiency/Policy & Resources	0	401	220	172	35
Crime & Disorder	0	67	-26	4	20
Economy & Planning	0	86	70	12	-7
Environment	0	170	-24	-10	-10
Health & Social Inclusion	0	28	0	0	0
Housing	0	40	-19	1	1
Leisure	0	432	97	195	-226
General Purposes & Licensing Committee	0	60	-38	0	0
Planning Development Control Committee	0	151	100	0	0
Standards Committee	0	6	-6	0	0
Sub Total Bids	0	1441	374	374	-187
Deduct Expenditure Plan Savings					
Finance & Efficiency/Policy & Resources	0	-763	0	9	0
Crime & Disorder	0	-12	0	0	0
Economy & Planning	0	-151	68	-29	0
Environment	0	-122	0	0	0
Health & Social Inclusion	0	-38	0	0	0
Housing	0	-53	0	0	0
Leisure	0	-217	-44	-36	-68
General Purposes & Licensing Committee	0	-3	-2	0	0
Planning Development Control Committee	0	0	0	0	0
Standards Committee	0	0	0	0	0
Sub Total Savings	0	-1359	22	-56	-68
Forecast Budget Requirements Total (E)	21003	21823	23159	23341	23140
Further Efficiencies/Savings(-)/Growth		0	-1047	-885	-330
Budget Required after Reserve Transfer	21003	21823	22112	22456	22810

FINANCED

Collection Fund /RSG/ NDR	10978	11413	11369	11369	11369
Council Tax	10025	10410	10743	11087	11441
	21003	21823	22112	22456	22810
Council Tax	140.99	145.22	149.58	154.06	158.69
Council Tax Increase		3.00	3.00	3.00	3.00

ADDITIONAL REVENUE BIDS/SAVINGS

	Portfolio/ Committee	£'000	£'000
Savings Target at November Cabinet/Review Panels			718

New Items Approved at December Cabinet

Additional Clear Recycling Sacks	Env	48	
Increased Probity & Ethic Training for Town/Parish Councils	Standards	4	
Rephase burial sites feasibility study	Env	-10	42
Revised Savings Target following December Cabinet			760

New Proposals**BIDS**

Inflation	F&E	18	
Benefits Admin Grant ¹	F&E	8	
Cash Collection- Securicor ²	F&E	3	
EPASS Contract ³	F&E	3	
			32

SAVINGS

Tax Base Increase ⁴	F&E	-65	
Collection Fund Adjustment ⁵	F&E	-44	
Revenue Support Grant/NDR ⁶	F&E	-7	
Interest Earnings ⁷	F&E	-80	
Leasing Buyout ⁸	F&E	-50	
Supplies & Services ⁹	F&E	-85	
Staffing Budgets ¹⁰	F&E	-100	
Training Budgets ¹¹	F&E	-25	
Health & Leisure Centres/Tourism ¹²	Leisure	-100	
ICT Work Programme ¹³	F&E	-50	
Local Development Framework ¹⁴	E&P	-70	
Stillwater Park ¹⁵	Housing	-18	
Printing Costs ¹⁶	F&E	-20	
Contribution to Project Integra/Waste Performance Grant ¹⁷	Env	-22	
Income from Integra ¹⁸	Env	-22	
Commercial Services Restructuring (Actioned in 06/7) ¹⁹	F&E	-16	
Health & Leisure Centres SLA with Graphics ²⁰	Leisure	-14	
Test Valley Contribution to Ground Maintenance Equipment ²¹	F&E	-4	
			-792
			<u>0</u>

- ¹ Benefits Admin Grant – Grant from the DWP has increased by 2.2%. As this is lower than was anticipated in the financial strategy a bid of £8,420 is now required.
- ² Cash Collection – The Council has recently been notified that its cash collection charges will increase from January 2007. As the increase exceeds the Council's inflationary allowance a bid of £3,000 is required.
- ³ Approved Contractors List – The Council has in recent years, had free access to the approved contractors list. The company maintaining the register have now requested a fee of £3,000 for 07/08, £3,500 for 08/09 and £4,000 for 09/10.
- ⁴ Tax Base Increase – The Council approved the council tax base for 2007/08 on 18 December. This has increased due to collection rate performance.
- ⁵ Collection Fund Adjustment – This is a retrospective adjustment in respect of the aforementioned collection performance.
- ⁶ Revenue Support Grant/NDR – The provisional grant settlement is slightly more than was originally budgeted for.
- ⁷ Interest earnings – Increased interest rate expectations and a review of cash flow has resulted in an anticipated increase in interest earnings of £80,000
- ⁸ Leasing Buyout – The Council has maintained a budget of £50,000 for buying out leases where the goods cannot be returned to the leasing company or for where the Council wishes to retain the goods at the end of the lease term. As the council has moved away from leasing the buyout budget is no longer required.
- ⁹ Supplies and Services – It is proposed to not allow inflationary increases on all supplies and service budgets.
- ¹⁰ Staffing Budgets – No specific proposals have been considered to reduce the overall level of staffing resources therefore at this stage this is an increase in the staff turnover provision. This will require proactive management if it is to be achieved.
- ¹¹ Training Budgets – This budget has been reduced to reflect the overall corporate outturn position over the last two financial years as reported to Industrial Relations Committee.
- ¹² Health & Leisure Centres/Tourism – These two services are currently going through a fundamental service review. It is not unreasonable to expect that review to generate efficiency savings/opportunities that will reduce the net cost of service delivery.
- ¹³ ICT Work Programme – Following a review of the proposed work programme and a re-profiling of the funding of system acquisitions it has been possible to reduce the ongoing costs of the programme.

- ¹⁴ Local Development Framework – The November Cabinet report identified a total bid requirement of £450,000 for the Local Development Framework. This can be reduced by £70,000 by integrating the employment development enquiry within the main enquiry.
- ¹⁵ Stillwater Park – In recent years the sales commission income from Stillwater Park has regularly exceeded the budget. It is therefore proposed to increase the budget by £18,000 to £40,000.
- ¹⁶ Printing Costs – A review of the current, localized printing is being undertaken. By increasing the amount of networking it should be possible to reduce costs.
- ¹⁷ Contribution to Project Integra/Waste Performance Grant – The expenditure plans considered in November included a bid of £24,000 for an additional payment to Project Integra from the Waste Performance Grant. This bid was overstated and the actual increase is only £1,000. The £23,000 bid reduction is however offset by £1,000 as the actual Waste Performance Grant to be received is less than originally anticipated.
- ¹⁸ Income from Integra – The rate per tonne receivable for the collection of recyclable materials is anticipated to increase, generating an additional £22,000.
- ¹⁹ Commercial Services Restructuring – A staffing restructure carried out within the Commercial Services Directorate in 06/07 has resulted in recurring savings of £16,000 from 07/08.
- ²⁰ Health & Leisure Centres SLA with Graphics – The November Cabinet report identified a bid of £14,000. This has been reviewed and the required work can now be carried out within existing resources.
- ²¹ Grounds Maintenance – Following the purchase of new equipment, existing grounds maintenance equipment is to be transferred to Test Valley who will reimburse the Council's continuing leasing costs of £4,000.

NEW FOREST DISTRICT COUNCIL
CAPITAL EXPENDITURE
SUMMARY AND RESOURCES 2006/07 TO 2010/11

APPENDIX 4

Date Prepared :-

21-Dec-06

ESTIMATED EXPENDITURE	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000	Total £'000
Finance & Efficiency/Policy & Resources	3,252	2,040	2,002	1,764	2,418	11,476
Crime & Disorder	21	-	180	-	-	201
Environment - General	291	237	257	240	-	1,025
Environment - Coast Prot / Land Drainage	1,000	2,696	2,254	4,718	995	11,663
Economy & Planning	365	239	374	55	14	1,047
Health & Social Inclusion	27	7	-	-	7	41
Housing - Public Sector	5,414	5,343	4,750	4,750	4,750	25,007
Housing - Private Sector	1,362	3,067	1,426	954	954	7,763
Leisure - General	1,609	1,688	815	1,143	159	5,414
Leisure - Developers' Contributions	594	150	-	-	-	744
TOTALS	13,935	15,467	12,058	13,624	9,297	64,381

PROPOSED FINANCING

Major Repairs Subsidy	3,283	3,309	3,309	3,309	3,309	16,519
Revenue Provision HRA	2,131	2,034	1,441	1,441	1,441	8,488
Total Ringfenced Hsg Public Sector	5,414	5,343	4,750	4,750	4,750	25,007
Grants & Other Contributions	254	254	254	254	254	1,270
Usable Capital Receipts	1,108	2,813	1,172	700	700	6,493
						-
TOTAL HOUSING RESOURCES	6,776	8,410	6,176	5,704	5,704	32,770
Grants & Other Contributions	997	2,696	2,254	4,718	995	11,660
Developers' Contributions	769	172	205	-	-	1,146
Revenue Provision (Gen. Fund.)	769	769	769	769	769	3,845
Usable Capital Receipts	15	-	-	50	-	65
Loan	2,970	2,228	2,558	2,037	2,488	12,281
Capital Reserve	1,639	1,192	96	346	659	2,614
TOTALS	13,935	15,467	12,058	13,624	9,297	64,381

ESTIMATED BALANCES

	01/04/06 £000	01/04/07 £000	01/04/08 £000	01/04/09 £000	01/04/10 £000	01/04/11 £000
CAPITAL RESERVE	3,279	1,640	448	352	6	665
DEV. CONTRIBS.	4,237	3,468	3,296	3,091	3,091	3,091

Note: The Housing Private Sector expenditure figures above are net of reductions in the programme which have still to be identified. To achieve a programme that balances with resources generated from Housing, the proposed programme needs to be reduced from 08/9 onwards. The position will be reviewed during 2007/8.

ADDITIONAL CAPITAL BIDS/SAVINGS

Children's Centre – Community Facility.

A project to construct a children's centre in Pennington is being led by Hampshire County Council at Pennington Junior and Infants School. To meet the needs identified in the Participatory Needs Assessment it is proposed to extend the scheme by the provision of a community facility at a cost of £50,000. Funding of £10,000 has been secured from Lymington and Pennington Town Council, leaving a balancing funding request of £40,000 from this Council.

Hordle Cliff Top

The November report included two different options for path refurbishment at Hordle Cliff. The macadam specification has been approved and therefore the £120,000 hoggin specification scheme has been removed.

ICT

The ICT work programme has been reviewed and rephrased resulting in an additional spend of £12,000 in 2007/08.

Major Repairs

Notification of the Major Repairs Allowance within the Housing Subsidy figures and the level of balances on the Housing Revenue Account has enabled the Major Repairs budget to be increased by £593K.