

FINANCIAL REPORT – FORECAST FULL YEAR AND ACTUAL FOR THE PERIOD APRIL 2006 TO DECEMBER 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 December show an estimated decrease in expenditure of £254,000, bringing the total reported variations for the year to a net decrease in expenditure of £280,000.
- 2.2 Excluding budget virements, the major variations are listed below, but full details are set out in Appendix 1.

VARIATIONS	£'000
Council Tax Benefits (Finance & Efficiency)	20
Benefits Administration (Finance & Efficiency)	-32
National Park Authority (Finance & Efficiency)	-25
Leasing / Depreciation (Finance & Efficiency – Holding)	-86
Community Safety (Crime & Disorder)	-24
Building Control (Economy & Planning)	-20
Car Parks (Economy & Planning)	-80
Concessionary Travel (Economy & Planning)	-70
Economic Development (Economy & Planning)	-20
Land Charges (Economy & Planning)	-60
Policy, Conservation, Trees & Env Action (Environment)	-75
Commercial Services Activities - General Fund (Various)	-34
Coast Protection (Environment)	-10
Keyhaven River (Leisure)	14
Sports and Community Development (Leisure)	17
Hackney Carriages (General Purposes and Licensing)	-10
Planning Fees (Planning Development Control)	50
Other Income (Planning Development Control)	10
Interest Earnings	-70
Capital Expenditure Financing	260
Other	-9
Total	<u>-254</u>

2.3 Appendix 1 shows that actual expenditure, at the end of December, is £1,111,000 below the profiled budget expenditure. This is partly reflected by the variations reported above and outstanding commitments of £403,000.

3. CAPITAL EXPENDITURE (APPENDIX 2)

3.1 Other Services (Excluding Housing)

3.1.1 New variations show a decrease in 2006/07 expenditure of £136,000, but excluding items of rephasing, virement, developers' contributions and external funding, there is an increased call on the Council's capital resources of £205,000. The expenditure increase is summarised in the table below:

VARIATIONS	£'000
Land Holding, Hythe (Finance & Efficiency)	260
Design Preparatory Work (Finance & Efficiency)	50
Claymeadow Security (Finance & Efficiency)	11
Various Savings – see Appendix 2 (Finance & Efficiency)	-82
Lloyd Avenue Marchwood (Environment)	-25
Applemore HLC (Leisure)	-16
Lymington HLC (Leisure)	-15
Open Space (Leisure)	22
West Totton Centre (Leisure)	-42
Rephasings:	
• ICT Work Programme (Finance & Efficiency)	-44
• St John Car Park (Economy & Planning)	-100
• Totton Town Centre (Economy & Planning)	-30
• North Solent SMP Review (Environment – CP)	-10
• Leisure Equipment	-13
• Other Leisure Schemes – see Appendix 2	-94
Other	-8
Total	-136

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 future years	-291
External Funding	-50
Variations falling on Council's Capital Resources	205
Total	-136

3.2 Housing

3.2.1 No variations are reported in this period.

VARIATIONS	£'000
Total	<u><u>0</u></u>

3.2.2 The table below shows no value as there are no funding applications in this period.

IMPACT ON CAPITAL RESOURCES	£'000
Total	<u><u>0</u></u>

4. HOUSING REVENUE ACCOUNT (APPENDIX 3)

4.1 Reported variations show a reduction of £25,000 in the overall planned 2006/07 expenditure.

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

VARIATIONS	£'000
Rent Income	-35
Service Charge Income	70
Disabled Facilities Expenditure	10
Supervision and Management	-70
Total	<u><u>-25</u></u>

4.3 Appendix 3 shows that the actual net surplus at the end of December is £673,000 ahead of the profiled budget surplus, but this is largely the result of the timing of maintenance expenditure.

5. COMMERCIAL SERVICES

5.1 The current Commercial Services budget surplus target on General Fund activities is £32,000. Performance to date indicates that this target is likely to be met.

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. PORTFOLIO HOLDER COMMENTS

8.1 The Portfolio Holder notes the current financial position of the Council and supports the recommendations contained in this report.

9. RECOMMENDATIONS

9.1 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) approve the revised Housing Revenue Account budget, as set out in Appendix 3 and recommend Council to approve a supplementary estimate of
 - £70,000 in respect of service charge income
- d) note the financial position of Commercial Services, as set out in section 5 of this report.
- 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.

9.2 It is recommended that Council note that, in accordance with Financial Regulation 1.3, the Director of Resources has suspended Financial Regulations, in order that additional capital expenditure of £260,000 can be incurred on the purchase of a property in Hythe for the improvement of the Council's land holding on adjoining properties. This expenditure is to be financed by increasing the General Fund Capital Financing Provision.

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 DECEMBER 2006

	FULL YEAR FORECAST					PERFORMANCE TO DECEMBER				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	-92	-42	5161	1	3672	3595	-77	98	9
Finance & Efficiency-Holding	0	0	-86	-86	2	0	0	0	0	0
Crime & Disorder	678	0	-24	654	3	562	496	-66	88	0
Economy & Planning	2290	-203	-325	1762	4	1189	681	-508	57	81
Environment	6111	17	-41	6087	5	4629	4513	-116	97	51
Housing	1401	3	0	1404	6	940	922	-18	98	24
Health & Social Inclusion	1617	-221	-4	1392	7	965	932	-33	97	9
Leisure	2875	444	28	3347	8	2994	2766	-228	92	225
General Purposes & Licensing	569	-12	-10	547	9	391	382	-9	98	2
Planning Development Control	842	133	60	1035	10	630	574	-56	91	2
Business Unit Asset Rentals	-1025	0		-1025						
Service Expenditure	20653	69	-444	20278		15972	14861	-1111	93	403
Capital Financing Provision	769	54	260	1083	11					
Vehicles & Equipment Provision	633	-1	0	632	12					
Interest Earnings	-1000	-70	-70	-1140	13					
Net Expenditure	21055	52	-254	20853		15972	14861	-1111	93	403
Transfer to (from) Comm. Servs	-52	20	0	-32	14					
Transfer to (from) Rev. Res.	0	-98	0	-98	15					
Transfers to (from) Cap Programme	0	26	254	280	16					
TOTAL REVENUE	21003	0	0	21003		15972	14861	-1111	93	403

New Variations – General Fund Revenue Expenditure

£000

1. Finance & Efficiency – Direct

- a) **Council Tax (BRO A Taylor)** – Savings of £5k are projected on printing costs. -5
- b) **Council Tax Benefits (BRO A Taylor)** – The recovery of overpaid Council Tax Benefits was previously pursued through Sundry Debtors and not via the Council Tax account. This practice has now ceased following advice from the Department of Works and Pensions. When the budgets were set the Council Tax Benefits expenditure budget was reduced to reflect the change but the sundry debtor income budget was not removed. 20
- c) **National Park (BRO P Higgins)** – Additional income receivable for services provided to the National Park Authority. -25
- d) **Benefits Administration (BRO A Taylor)** – Salary and supplies & services savings are projected as a result of vacant posts and staff turnover savings. -32
-
- 42**

2. Finance & Efficiency – Holding Accounts

- a) **Depreciation/Leasing (BRO K Green)** – Due principally to purchases of ICT, vehicles and plant and other equipment being later than originally anticipated, net savings of £90k in financing costs are predicted. These savings will be allocated to appropriate Portfolios during February. -86
-
- 86**

3. Crime & Disorder

- a) **Community Safety (BRO M Powell)** – In 2006 the Council extended its funding agreement with HCC to incorporate a further two Community Safety Officers. These were not appointed until October, resulting in savings of £24k. -24
-
- 24**

<u>4. Economy & Planning</u>	£000
a) Building Control (BRO C Elliott) – £20k additional examination and inspection fee income has been received as a result of some larger, more prestigious projects.	-20
b) Car Parks (BRO J Bull) – Additional income of £60k from penalty charge notices and amenity permits is projected together with a reduction in expenditure on goods and services of £20k.	-80
c) Concessionary Travel (BRO G Miles) – Expenditure on the new local travel vouchers is anticipated to fall further compared to the original budget as there is further indication that users have opted for the farepass instead..	-70
d) Economic Development (BRO N Miller) – Savings of £20k are expected, principally due to improved income generation and some slippage of initiatives involving partner organisations.	-20
e) Land Charges (BRO C Elliott) – Due to the level of applications received to date, it is anticipated that further additional income of £60k will be received by the end of the financial year.	-60
f) Policy, Conservation, Trees & Env Action (BRO N Gibbs) – A saving of £75k is projected due to staff secondment to the National Park Authority.	-75
	<hr/> -325
<u>5. Environment</u>	
a) Various Services (BRO J Mascall) – Savings on various Commercial Services activities (see Appendix 4).	-31
b) Coast Protection (BRO A Bradbury) – The capital Regional Monitoring scheme enables some scheme monitoring costs to be charged to the capital project rather than to revenue budgets. Therefore a saving of £10k can be made in this financial year.	-10
	<hr/> -41
<u>6. Housing</u>	
a) No new variations to report	
<u>7. Health & Social Inclusion</u>	
a) Personal Health and Social Inclusion (BRO N Frost) – Due to delays in recruitment, staff savings of £8k are projected this year. These are shared on a 50/50 basis with the PCT.	-4
	<hr/> -4
<u>8. Leisure</u>	
a) Health and Leisure Centres (BRO J Mascall) – Savings on various Commercial Services activities (see Appendix 4).	-3
b) Keyhaven River (BRO M Devine) – A recent report has identified urgent works required to several moorings at Keyhaven River with a total cost of £14k. If this work is not completed then it could have a significant impact on income for 2007/08.	14
c) Sports & Community Development (BRO M Devine) – Supplementary funding of £17k is required to cover the bad debt of Marchwood Sports and Social Club (see separate report attached as Appendix 5)	17
	<hr/> 28
<u>9. General Purposes and Licensing</u>	
a) Hackney Carriages (BRO M Powell) – Additional income of £10k has been received due to a greater than expected number of applications for Hackney Carriage licences.	-10
	<hr/> -10
<u>10. Planning Development Control</u>	
a) Planning Fees (BRO C Elliott) – A shortfall in Planning Fee income of £52k was reported to Planning Development Control Committee in November and a further shortfall will be reported to the February Committee (see Appendix 6), due to a continued shortfall in planning fee income in the autumn.	50
b) Planning Development Control (BRO C Elliott) – Shortfalls totaling £10k are projected in respect of Ordnance Survey map income and photocopying income (see Appendix 7).	10
	<hr/> 60
<u>11. Capital Financing Provision</u>	
a) Land Holding, Hythe (BRO C Malyon) – Improvement of land holdings (see paragraph 9.2 of report)	260
	<hr/> 260

13. Interest Earnings (BRO K Green)

£000

- a) A further increase of £70k in interest earnings is projected due to an increase in interest rate expectations (£26k) and a revised projection on cash flow (£44k).

-70-70**14. Commercial Services**

- a) No new variations to report.

TOTAL ALL NEW VARIATIONS (REVENUE)-254

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

	FULL YEAR FORECAST					PERFORMANCE TO DECEMBER				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	2206	996	195	3397	1	2352	2004	-348	85	241
Crime & Disorder	0	21	0	21	2	0	0	0	0	29
Economy & Planning	551	-186	-130	235	3	277	35	-242	13	119
Environment	263	88	-18	333	4	263	125	-138	48	31
Env (Coastal Protection)	1674	-734	-10	930	5	698	486	-212	70	274
Health & Social Inclusion	0	27	0	27	6	20	0	-20	0	0
Leisure	1117	492	-126	1483	7	1112	607	-505	55	237
Leisure Developers Contrib.	178	416	-47	547	8	278	334	56	120	0
Subtotal Other Services	5989	1120	-136	6973		5000	3591	-1409	72	931
Housing-Private Sector	2117	-755	0	1362	9	1022	470	-552	46	2
Housing-Public Sector	5279	135	0	5414	10	3167	2960	-207	93	621
Subtotal Housing	7396	-620	0	6776		4189	3430	-759	82	623
TOTAL CAPITAL	13385	500	-136	13749		9189	7021	-2168	76	1554

New Variations – Capital Expenditure

1. Finance & Efficiency

- a) **Design Preparatory Work (BRO P Freeman)** – Rolling programme for Design & Preparatory Work agreed at April Cabinet.
- b) **Appletree Court Rebuild Roof to North Wing (BRO P Freeman)** – When the roof structure was opened the extent of rot was less than anticipated, resulting in savings of £5k.
- c) **Appletree Court Combined Reception South Wing (BRO P Freeman)** – This scheme has been shelved due to progression on a feasibility study for a single site administration centre for the Council.
- d) **Town Hall Lymington Electrical Testing Remedial Works (BRO P Freeman)** – Electrical works have cost less than originally estimated.
- e) **Town Hall Lymington Electrical Circuits (BRO P Freeman)** – In view of potential relocation this scheme has been shelved, due to a progression on a feasibility study for a single site administration centre for the Council.
- f) **Security Improvements BRO P Freeman** – Urgent works to be carried out to improve the security of Claymeadow Depot following recent break ins.
- g) **Mistral Drinks Machine (BRO S Plumridge)** – Replacement of drinks machine no longer necessary due to a change in vending machine contractor.
- h) **ICT Work Programme (BRO K Connolly)** – Rephasing of Planning DIP Workflow Project.
- i) **Land Holding, Hythe (BRO C Malyon)** – Improvement of land holdings (see paragraph 9.2 of report)

	£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
	50			50
	-5			-5
	-38			-38
	-10			-10
	-14			-14
	11			11
	-15			-15
		-44		-44
	260			260
	239	-44	0	195

	£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
2. <u>Crime & Disorder</u>				
a) No new variations to report				
3. <u>Economy & Planning</u>				
a) St John's Car Park Hythe (BRO J Bull) – Additional design work and increased contractual documentation have resulted in a delay, as a result of which £100k will need to be rephased into 2007/08.		-100		-100
b) Totton Town Centre (BRO N Williamson) – HCC have advised that tree planting will not be carried out in this financial year and the budget does therefore need to be rephased to 2007/08.		-30		-30
	0	-130	0	-130
4. <u>Environment</u>				
a) Lloyd Avenue Marchwood (BRO D Wright) – A £25k saving is anticipated on this scheme as the original budget allowed for compensation to the landowners and rerouting of public utility lines, neither of which proved necessary.			-25	-25
b) St Thomas Street PC Lymington (BRO D Wright) – Additional costs have had to be incurred for removal of asbestos, the adjustment of temporary car park markings and an increase in the depth of foundations.	7			7
	7	0	-25	-18
5. <u>Environment – Coastal Protection</u>				
a) North Solent SMP Review (BRO A Bradbury) – Due to late DEFRA approval it is necessary to rephase £10k of this budget into 2007/08.		-10		-10
	0	-10	0	-10
6. <u>Health and Social Inclusion</u>				
a) No new variations to report.				
7. <u>Leisure</u>				
a) Equipment (BRO – B Millard) – Some rephasing of equipment into 2007/08 and 2008/09 is necessary as the original equipment has outlasted life expectations.		-13		-13
b) Applemore HLC – Pool Sand Media (BRO B Millard) – This work has been allowed for in the larger plant replacement scheme and a separate budget is therefore no longer required.	-16			-16
c) Various rephasings to 2007/08 (BRO B Millard) –				
• New Milton Pool Hall Roof	£52k			
• Lymington Car Park Barriers	£15k			
• Dibden Golf Club Course Enhancements	£27k	-94		-94
d) Lymington HLC (BRO B Millard) – The budget required for the Swimming Pool Hall refurbishment is less than initially expected.	-15			-15
e) Various (BRO B Millard) – A number of minor variations are likely to generate an overall saving of £10k.	-10			-10
f) Open Space – Parish Partnership Programme Blackfield (BRO M Devine) – Expenditure on this scheme will be partly covered by external grants as reported to Cabinet on 6 December. The current budget needs to be grossed up by £21,800 to reflect contributions from ONYX and the Hampshire Playing Fields Association. The NFDC element of £32k is unchanged.			22	22
	-41	-107	22	-126

8. Leisure – Developers Contributions

- a) **Ringwood Trinity Church (BRO M Devine)** – All contributions have now been made and planned Developers' Contributions of £5k have not been required.
- b) **West Totton Centre (BRO M Devine)** – Based on a portfolio holder decision an additional £118k of Developers' Contributions was allocated to this scheme. £42k of this is not required as it was already included in existing West Totton capital budgets.

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
		-5	-5
		-42	-42
0	0	-47	-47
205	-291	-50	-136
0	0	0	0
0	0	0	0
0	0	0	0
205	-291	-50	-136

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

	FULL YEAR FORECAST					PERFORMANCE TO DECEMBER				
	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	0	-45	-18121	1	-13557	-13627.4	-70	101	0
Other Rent Income	-618	0	10	-608	1	-463	-445	18	96	0
Service Charge Income	-1225	0	70	-1155	2	-919	-863	56	94	0
Other Subsidy	6299	0		6299		5039	5003	-36	99	0
Other Income	-704	-59		-763		-482	-489	-7	101	0
Total Income	-14324	-59	35	-14348		-10382	-10422	-40	100	0
Reactive Maintenance	1800	0		1800		1200	1061	-139	88	440
Cyclical Maintenance/DFG	1553	0	10	1563	3	1072	954	-118	89	292
Supervision & Management	4917	-50	-70	4797	4	3569	3345	-224	94	8
Rent Rebates	223	0		223		167	175	8	105	0
Revenue Cont. to Major Repairs	1996	0		1996		1198	1198	0	100	0
Capital Financing Costs	379	3		382		88	139	51	158	0
Major Repairs	3283	0		3283		1970	1762	-208	89	621
Other Expenditure	56	0		56		49	46	-3	94	0
Capital Expenditure charged to Revenue	0	0		0		0	0	0	0	0
TOTAL EXPENDITURE	14207	-47	-60	14100		9313	8680	-633	93	1361
Deficit/Surplus (-)	-117	-106	-25	-248		-1069	-1741.97	-673		1361

New Variations – Housing Revenue Account

	£000
1. Dwelling Rent Income (BRO Dave Brown) – Rental income is projected to exceed budgets by £35k due largely to RTB sales remaining depressed and an improving voids situation (£45k) only slightly offset by reduced garage rent income (£10k).	-35
2. Service Charge Income (BRO Dave Brown) – Due largely to the loss of Churchill Court and Trafalgar House, service charge income is expected to be about £70k below budget.	70
3. Disabled Facilities Grant (BRO Dave Brown) – Until March 2006 Social Services funded their Technician to undertake minor adaptations for our disabled residents. Following budgetary cuts in Social Services the service came to an end and it was agreed that we as a responsible landlord would fund this in the future.	10
4. Supervision & Management (BRO Dave Brown) – Due to the restructuring of the service and reducing costs of sheltered housing further savings of £70k can be reported.	-70
	<u>-25</u>

**FINANCIAL MONITORING REPORT – PERIOD TO DECEMBER 2006
(BRO – J MASCALL)**

Commercial Services

A net underspend of £37,510 against the total net budget (£10.9m) is forecast for the full financial year. This underspend relates mainly to General Fund activity with variations against the following service areas:

- Refuse Collection and Street Cleansing
- Waste Management and Recycling
- Cemeteries
- Abandoned Vehicles
- Public Conveniences
- Building Cleaning
- Vehicle and Plant Maintenance

BUDGET VARIATIONS - COMMERCIAL SERVICES

SERVICE	BUDGET VARIATION £	COMMENT
ENVIRONMENT PORTFOLIO		
<i>Refuse Collection & Street Cleansing</i>		
Grey Garden Waste Sacks	-6,000	Budget no longer required with introduction of district wide garden waste scheme
Special Collections	12,000	Estimated shortfall in income against full year budget
Wages	55,150	Overspend on wages resulting from higher than budgeted sickness levels / use of agency labour
Salaries	-11,580	Savings resulting from reduction in management costs through reorganisation
	49,570	
<i>Waste Management and Recycling</i>		
Recycling Credits	-9,000	Increase in income
Garden Waste	30,000	Shortfall in income from sales of garden waste bags and additional publicity costs for 2007/08 scheme
Project Integra	-76,000	Additional income to be received from Project Integra due to higher than budgeted for rate per tonne of recyclable materials
Wages	32,020	Overspend on wages resulting from higher than budgeted sickness levels / use of agency labour
Salaries	-27,010	Savings resulting from reorganisation / vacancy on existing post
	-49,990	
<i>Cemeteries</i>		
Fees and Charges	-5,000	Increase in actual income against budget

		for exclusive rights to burials
Salaries	-6,820	Savings resulting from redundancy of existing post
	-11,820	
<i>Abandoned Vehicles</i>		
Salaries	-11,180	Savings resulting from redundancy of existing post and reduction in hours of one postholder
	-11,180	
<i>Public Conveniences</i>		
Salaries	-3,730	Savings resulting from reduction in management costs through reorganisation
	-3,730	
<i>Grounds Maintenance</i>		
Maintenance costs	-4,200	Reduction in plant and machinery maintenance costs
	-4,200	
TOTAL ENVIRONMENT PORTFOLIO	-31,350	
<i>Health and Leisure Centres</i>		
Salaries	-3,360	Savings resulting from reduction in management costs through reorganisation
TOTAL LEISURE PORTFOLIO	-3,360	
<i>Grounds Maintenance</i>		
Maintenance costs	-2,800	Reduction in plant and machinery maintenance costs
TOTAL HOUSING REVENUE ACCOUNT	-2,800	
GRAND TOTAL NET UNDERSPEND	-37,510	

CMT: 9 JANUARY 2007
CABINET: 7 FEBRUARY 2007

PORTFOLIO : LEISURE

MARCHWOOD COMMUNITY FACILITY

1. BACKGROUND

- 1.1 This report provides an update on the financial position in respect of the lease arrangement with Marchwood Sports and Social Club, which was brought to Cabinet in March 2006.
- 1.2 In 1993 the site of the former power station in Marchwood was starting the process of changing use to the industrial site that it is today. There were concerns that the community use of that site might be lost, despite a land use allocation in the Local Plan. The only means to secure the continuity of provision was for a local authority to take a lease from the landowner. After discussions with the Parish Council, it was agreed that the District Council would take the head lease and then sublease the site to MSSC.
- 1.3 The sub-lease arrangement has been in place since 1993 and it has worked well up until 2005/06. The report to Cabinet in March explained the financial position and resolved a view on the future of leasing arrangements. The following resolution was made:
- (a) That the lease for community premises in Marchwood be not renewed;
 - (b) That active support is given to retain community use of the site;
 - (c) That the financial implications be reported as part of the financial variations for the financial years 2005/06 and 2006/07;
 - (d) That arrangements be made to recover the maximum income under the current arrangements consistent with the continued use of the site.
- 1.4 The lease was terminated on 28 September 2006 and was returned to the landlord in a satisfactory condition on the same date.

2. FINANCIAL IMPLICATIONS

- 2.1 In the last report the financial summary in respect of the Council's interest was presented as follows:

ELEMENT	AMOUNT	COMMENT
Loss of income 05/06 and 06/07	£17,500	It should be less than this, an arrangement for rental payment is under discussion
Works to secure electricity supply	£7,000	Half of this can be met from current budgets. Final costs not yet known
Dilapidations 06/07	Being assessed	These costs should be met by MSSC, if they are not they will have to be met by the Council as tenant of the building.

- 2.2 Now the lease term is completed, the financial position can be reported. The Council had maintained its support for MSSC through the period of rental shortfall. With the circumstances of MSSC, it was not possible to recover the shortfall. However, the figure was a fixed sum and so has not increased with the passage of time.

- 2.3 The cost of the electricity supply was met within the supplementary arrangements made at the time. The unknown was the question of dilapidations. It can be reported that due to the personal effort and commitment of the MSSC Committee and NFDC officers, there were no outstanding dilapidation issues for the Council to address.

3. ENVIRONMENTAL IMPLICATIONS

- 3.1 There are no particular implications arising from this report.

4. CRIME AND DISORDER IMPLICATIONS

- 4.1 There are no particular implications arising from this report.

5. PORTFOLIO HOLDERS COMMENTS

- 5.1 To be updated following briefing meeting

6. RECOMMENDATIONS

- 6.1 It is recommended that Cabinet:

- a) Approve a supplementary estimate of £17,500 to cover the bad debt to be written off in the Leisure accounts.
- b) Write to MSSC thanking them for their time and effort in undertaking the works highlighted in reference to dilapidations.

For Further Information Contact:

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Background Papers:

Published report.
Cabinet Report E 01/03/06

PLANNING DEVELOPMENT CONTROL COMMITTEE – 14 FEBRUARY 2007

BUDGETARY MONITORING 2006/07**1. INTRODUCTION**

- 1.1 The Council's Financial Regulations require that identified variations in the Planning Development Control Committee budget for the current financial year be reported to the Committee.

2. VARIATIONS

- 2.1 In the first six months of this financial year planning fee income was down by £52,000 on the predicted income of £350,000. This was mainly due to April and May being very quiet months following a surge in applications being submitted earlier in the year before the National Park Authority took on its planning responsibilities. The next 4 months then produced, on average, the £58,000 per month of expected income. However the Autumn showed figures reducing again such that anticipated levels are unlikely to be achieved.
- 2.2 A £52,000 deficit based upon the April to September (six month) income figures was reported to this Committee in November 2006. It now appears that there will be a similar deficit in the October to March figures and hence a further £50,000 of reduced income is being predicted.
- 2.3 There are no other significant variations to the Planning Development Control Committee budgets which need to be reported at this stage. Members might be interested to note that this planning fee deficit is likely to be more than balanced by higher than predicted Land Charges and Building Regulation fee income.

3. ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

- 3.1 None.

4. FINANCIAL IMPLICATIONS

- 4.1 Planning fee income is predicted to be £50,000 lower than estimated in the period between October 2006 and March 2007. This figure has to be added to the £52,000 deficit previously identified in the first six months of the financial year.

5. RECOMMENDATION

- 5.1 That this report be noted.

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Background Papers:

Monthly financial monitoring statements for
Development Control Committee budgets

PLANNING DEVELOPMENT CONTROL COMMITTEE – INCOME SHORTFALL

Two further areas of income shortfall have become apparent in the PDC Committee budget. These are:-

- (i) Ordnance Survey Map rates; and
- (ii) Photocopying income.

In total the shortfall on these two items is likely to be in the order of £10,000.

The first probably arises because people are obtaining their maps to submit with planning applications from other approved agents (as opposed to buying them at Planning Reception) or they are using unauthorised copies. The second probably arises because more planning information is now available to download from the internet eg. planning decision notices, whereas previously copies were purchased from the planning office.

(reports) income shortfall