

## FINANCIAL REPORT – FORECAST FULL YEAR AND ACTUAL FOR THE PERIOD APRIL 2007 TO JUNE 2007

### 1 INTRODUCTION

- 1.1 This report sets out the forecast budget variations of all Portfolios and Committees from the approved original estimates for 2007/08.
- 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 below the table in the appropriate appendix.
- 1.3 Since the original budgets have been set, changes to Portfolios have resulted in minor movements of budgets (e.g. the move of tourism from the Leisure Portfolio to the Employment, Health and Wellbeing (E, H & W) Portfolio. These changes are already accurately reflected in the original budgets shown in this report and its appendices.
- 1.4 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 decrease in net expenditure of £9,000.
- 2.2 Excluding budget virements, the major variations are listed below, but full details are set out in Appendix 1.

<b>VARIATIONS</b>	<b>£'000</b>
Council Tax Benefits (Finance & Efficiency)	-50
Communications (Finance & Efficiency)	13
Central Purchasing (Finance & Efficiency)	20
Foreshores & Beaches (Leisure, Culture & Youth)	-13
Lymington HLC (Leisure, Culture & Youth)	42
Equipment Lease (Leisure, Culture & Youth)	-17
Other	-4
<b>Total</b>	<b>-9</b>

- 2.3 The Provisional Final Accounts 2006/07 report approved by Cabinet on 6 June, included provision to carry forward funding of £138,000 into 2007/08, to cover expenditure on Planning Delivery Grant projects.

Other, smaller amounts of carry forwards from 2006/07 are £11k for Clean Neighbourhoods & Environment and £15k for Transportation Measures (Station Road, New Milton). All budgets are balanced by contributions from revenue reserves derived from the 2006/07 carry forward amounts, thus having no effect on the overall General Fund.

- 2.4 Appendix 1 shows that actual expenditure at the end of June is £150k below the profiled budget expenditure, but this is more than offset by outstanding commitments of £471k.

### 3 CAPITAL EXPENDITURE (APPENDIX 2)

#### 3.1 Other Services (Excluding Housing)

- 3.1.1 Reported variations show an increase in 2007/08 expenditure of £2,530,000, but excluding items of rephasing, virement, developers' contributions and external funding, there is an increased call on the Council's capital resources of £204,000. The expenditure increase is summarised in the table below:

VARIATIONS	£'000	£'000
<b>Rephasings to/from 2006/07:</b>		
Employment, Health and Wellbeing	35	
Environment	-4	
Environment – Coastal Protection	20	
Finance & Efficiency	1452	
Leisure, C&Y	452	
Leisure, C&Y– Devel. Contr.	111	
Planning & Transportation	<u>70</u>	<b>2,136</b>
<b>Rephasings to/from 2008/09:</b>		
Environment – Coastal Protection	-100	
Leisure, C&Y	10	
Planning & Transportation	<u>-8</u>	<b>-98</b>
Vehicle & Equipment (Finance & Efficiency)		4
Dibden Golf Centre (Leisure, Culture & Youth)		25
Equipment Lease (Leisure, Culture & Youth)		25
St John's Car Park, Hythe (Planning & Transportation)		187
Ringwood Long Stay Parking (Planning & Transportation)		-57
<b>Developers Contribution Schemes:</b>		
Ashley Rugby Ground (Leisure, Culture & Youth)		130
Bransgore Pavilion (Leisure, Culture & Youth)		15
Ampress/Lymington Town Cycle Route (P&T)		153
Footway – The Bickerley (Planning & Transportation)		<u>10</u>
<b>Total</b>		<b>2,530</b>

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

3.1.2 A separate report on the agenda asks Cabinet for a decision on options in respect of urgent roof repairs at Applemore Health and Leisure Centre. The financial monitoring statements will be updated in due course in line with the decision taken.

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

<b>IMPACT ON CAPITAL RESOURCES</b>	<b>£'000</b>
Rephasings from 2006/07	2,136
New rephasings to 2008/09	-98
Variations matched by movement in external resources	288
Variations falling on Council's Capital Resources	<u>204</u>
<b>Total</b>	<b>2,530</b>

### 3.2 Housing

3.2.1 Reported variations show an increase in 2007/08 expenditure of £284,000.

<b>VARIATIONS</b>	<b>£'000</b>	<b>£'000</b>
<b>Rephasings from 2006/07:</b>		
Social Housing Grant	<u>284</u>	
<b>Total</b>		<b>284</b>

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

<b>IMPACT ON CAPITAL RESOURCES</b>	<b>£'000</b>
Rephasings from 2006/07	<b>284</b>

## 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 2007/08 expenditure.

4.2 Appendix 3 shows that actual net surplus at the end of June is £896k ahead of the profiled budget surplus. This is due largely to the timing of expenditure on repairs and maintenance, which is however more than balanced by outstanding commitments

## **5 COMMERCIAL SERVICES**

- 5.1 The current Commercial Services budget surplus target on General Fund Activities is £22k. 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.
  - b) approve the revised capital expenditure as set out in Appendix 2
  - c) recommend Council to note the suspension of financial regulations by the Director of Resources in approving £101k in respect of the St John's Car Park, Hythe scheme funded through virements from other schemes of £60k and a supplementary estimate of £41k (please note that a further update on this scheme is included elsewhere on this agenda).
  - 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.

### **For Further Information Contact**

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**FORECAST GENERAL FUND FULL YEAR REVENUE  
EXPENDITURE 2007/08  
AND ACTUAL FOR THE PERIOD APRIL 2007 TO JUNE 2007**

	FULL YEAR FORECAST					PERFORMANCE TO JUNE				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
Crime & Disorder	741		0	741	1	215	277	62	129	2
Employment, Health & Wellbeing	2320		-5	2315	2	438	298	-140	68	6
Environment	6231		11	6242	3	1458	1405	-53	96	58
Finance & Efficiency-Direct	4845		-19	4826	4	1200	1211	11	101	5
Finance & Efficiency-Holding	0			0	5	0	0	0	-	0
General Purposes & Licensing	659		0	659	6	202	260	58	129	17
Housing	1435		0	1435	7	259	352	93	136	
Leisure, Culture & Youth	2905		19	2924	8	786	811	25	103	282
Planning Development Control	930		138	1068	9	300	249	-51	83	5
Planning & Transportation	2102		-8	2094	10	174	19	-155	11	96
Business Unit Asset Rentals	-1115			-1115						
<b>Service Expenditure</b>	<b>21053</b>	<b>0</b>	<b>136</b>	<b>21189</b>		<b>5032</b>	<b>4882</b>	<b>-150</b>	<b>97</b>	<b>471</b>
Capital Financing Provision	669		23	692	11					
Vehicles & Equipment	1161		-4	1157	12					
Interest Earnings	-1135			-1135	13					
<b>Net Expenditure</b>	<b>21748</b>	<b>0</b>	<b>155</b>	<b>21903</b>		<b>5032</b>	<b>4882</b>	<b>-150</b>	<b>97</b>	<b>471</b>
Transfer to (from) Comm. Servs	-22			-22	14					
Transfer to (from) Rev. Res.	0		-164	-164	15					
Transfer to (from) Cap Programme	0		9	9						
<b>TOTAL REVENUE</b>	<b>21726</b>	<b>0</b>	<b>0</b>	<b>21726</b>		<b>5032</b>	<b>4882</b>	<b>-150</b>	<b>97</b>	<b>471</b>

**New Variations – General Fund Revenue Expenditure**

£000

**1. Crime & Disorder**

- a) No new variations to report

0**2. Employment, Health & Wellbeing**

- a)
- Health Development (BRO A Righton)**
- Due to a staff vacancy this budget is likely to underspend by £10k. 50% of this saving is repayable to the Primary Care Trust, leaving a £5k underspend on our budget

-5-5**3. Environment**

- a)
- Clean Neighbourhoods & Environment (BRO K Green)**
- £11k has been vired out of reserves into service codes in respect of budgets carried forward from 2006/07.

1111**4. Finance & Efficiency**

- a) **Council Tax Benefits (BRO A Taylor)** – A review of Council Tax Benefits costs, as a result of the 2006/07 closedown, highlighted the need to revise the estimated level of overpayments and this is likely to reduce costs by at least £50k compared to the original budget.
- b) **Corporate Management (BRO P Higgins)** – Due to vacancy related savings in the Internal Health & Safety Business Unit the cost allocation to the Finance & Efficiency Portfolio has reduced by £2k.
- c) **Communications (BRO D Atwill)** – Reduced sponsorship monies are expected to lead to a shortfall in income.

-50-213

	£000
d) <b>Balances Unallocated (BRO K Green)</b> – Budgeted income of £20k from partnering the Central Purchasing Unit with Test Valley B.C. will not be achieved.	20
	<u>-19</u>
<b>5. Finance &amp; Efficiency (Holding)</b>	
a) No new variations to report	<u>0</u>
<b>6. General Purposes and Licensing</b>	
a) No new variations to report	<u>0</u>
<b>7. Housing</b>	
a) No new variations to report	<u>0</u>
<b>8. Leisure, Culture &amp; Youth</b>	
a) <b>Foreshores and Beaches (BRO S Plumridge)</b> – Additional income has been received from beach concessions in the past 2 years and this is likely to continue into the future. The projected amount of the increased income for this and future years is £13k.	-13
b) <b>Keyhaven (BRO S Plumridge)</b> – In recent years there has been a shortfall of income against the Keyhaven mooring target and this experience is likely to continue, resulting in a projected shortfall of £7k.	7
c) <b>Lymington HLC (BRO B Millard)</b> – A saving of £42k was made in 2006/07 due to the rephasing of the replacement of a heat pump. This budget now needs to be reinstated for 2007/08 in order to allow the works to go ahead.	42
d) <b>Leasing (BRO B Millard)</b> – Revenue savings associated with the Capital Lease buy out report (see separate item on agenda) amount to £17k.	-17
	<u>19</u>
<b>9. Planning Development Control</b>	
a) <b>Planning Delivery Budgets (PDG) (BRO C Elliott)</b> – £138k has been vired out of reserves into service codes in respect of budgets carried forward from 2006/07.	138
	<u>138</u>
<b>10. Planning &amp; Transportation</b>	
a) <b>Parking (BRO J Bull)</b> – £23k has been vired to the St John's Car Park Hythe capital scheme. This item is part of several items relating to the capital scheme for which financial regulations were suspended.	-23
b) <b>Transportation Measures (BRO N Hunt)</b> – £15k has been vired out of reserves into service codes in respect of a budget carried forward from 2006/07 to cover a contribution to HCC for works to Station Road, New Milton.	15
	<u>-8</u>
<b>11. Capital Financing Provision</b>	
a) The reduction in the car parks budget (note 10a above) is matched by an increase in the capital financing provision to finance the increased capital budget.	23
	<u>23</u>
<b>12. Vehicles and Equipment Provision (BRO K Green)</b>	
a) The leisure equipment buyout report, elsewhere on this agenda, identifies savings of £4k in costs due to the rephasing of replacement items of equipment.	-4
	<u>-4</u>
<b>13. Interest Earnings (BRO K Green)</b>	
a) No new variations to report	<u>0</u>
<b>14. Commercial Services</b>	
a) No new variations to report	<u>0</u>
<b>15. Transfers to/from (-) Revenue Reserves</b>	
a) Report paragraph 2.3 and notes 3a), 9a) and 10b) above, detail increased service budgets for expenditure carried forward from 2006/07, which are matched by this contribution from reserves, thus having no impact on the overall 2007/08 budget.	-164
	<u>-164</u>
<b>TOTAL ALL NEW VARIATIONS (REVENUE)</b>	<u><u>-9</u></u>

**FORECAST FULL YEAR CAPITAL EXPENDITURE 2007/08  
AND ACTUAL FOR THE PERIOD APRIL 2007 TO JUNE 2007**

	FULL YEAR FORECAST					PERFORMANCE TO JUNE				Outstanding Commitment
	Original Budget	2006/07 Slippage	New Variations	Forecast Outturn	Notes	Profiled Budget	Actual to Date	Actual to Profiled	% of Profile Spent	
	£000s	£000s	£000s	£000s		£000s	£000s	£000s		£000s
Crime & Disorder	0	0		0	1	0	-22	0	-	22
Employment, Health & Wellbeing	22	35		57	2	0	0	0	-	0
Environment	237	-4		233	3	0	2	2	-	2
Env (Coastal Protection)	2706	20	-100	2626	4	296	243	-53	82	91
Finance & Efficiency	2084	1452	4	3540	5	787	627	-160	80	0
Leisure, Culture & Youth	1773	425	87	2285	6	279	226	-53	81	300
Leisure C&Y - Developers Contrib.	150	111	145	406	7	145	146	1	101	0
Planning & Transportation	369	70	285	724	8	347	227	-120	65	31
<b>Subtotal Other Services</b>	<b>7341</b>	<b>2109</b>	<b>421</b>	<b>9871</b>		<b>1854</b>	<b>1449</b>	<b>-383</b>	<b>78</b>	<b>446</b>
Housing-Private Sector	3067	284		3351	9	132	186	54	141	2
Housing-Public Sector	5343			5343	10	695	47	-648	7	606
<b>Subtotal Housing</b>	<b>8410</b>	<b>284</b>	<b>0</b>	<b>8694</b>		<b>827</b>	<b>233</b>	<b>-594</b>	<b>28</b>	<b>608</b>
<b>TOTAL CAPITAL</b>	<b>15751</b>	<b>2393</b>	<b>421</b>	<b>18565</b>		<b>2681</b>	<b>1682</b>	<b>-977</b>	<b>63</b>	<b>1054</b>

**New Variations – Capital Expenditure**

**1. Crime & Disorder**

- a) No new variations to report

**2. Employment, Health & Wellbeing**

- a) **Rephasings from 2006/07**

**3. Environment**

- a) **Rephasings to 2006/07**

**4. Environment – Coastal Protection**

- a) **Rephasings from 2006/07**

- b) **North Solent SMP Review (BRO A Bradbury)** - £9k has been rephased into 2008/09, due to a delayed start.
- c) **Barton on Sea (BRO A Bradbury)** – This scheme is dependant on the outcome of the strategy study, which has yet to be completed. Consequently, an application has not yet been submitted to DEFRA and the scheme has been rephased into 2008/09.

£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
			<b>0</b>
	35		35
<b>0</b>	<b>35</b>	<b>0</b>	<b>35</b>
	-4		-4
<b>0</b>	<b>-4</b>	<b>0</b>	<b>-4</b>
	20		20
	-9		-9
	-91		-91
<b>0</b>	<b>-80</b>	<b>0</b>	<b>-80</b>

**5. Finance & Efficiency**

- a) **Rephasings from 2006/07**
- b) **Commercial Services (BRO J Mascall)** - 2 Additional Easidac Zip up towers are required for use by the Building Works section for working at heights on the Housing Planned Maintenance External Decorations Contract at a total cost of £4,400.

**6. Leisure, Culture & Youth**

- a) **Rephasings from 2006/07**
- b) **Equipment Rephasings from 2006/07**
- c) **Dibden Golf Centre (BRO B Millard)** – A Portfolio Holder decision in February agreed to the allocation of £25k to the Dibden Golf Centre Refurbishment scheme.
- d) **Ringwood HLC (BRO B Millard)** – Budgets of £10k each exist for works to the fitness corridor to be completed in 07/08 and the squash court viewing gallery in 08/09. It is proposed to bring the latter forward to allow the works to be carried out alongside each other. Costs have also increased by £6k compared to the original estimate but this is expected to be covered by virements, the details of which are still to be agreed.
- e) **Various HLCs – Equipment Lease (BRO B Millard)** – The Director of Resources has suspended financial regulations regarding a lease buy out to ensure that 2 gyms could order their replacement equipment in accordance with limited timescales. A separate report on this agenda outlines the financing, which utilizes a £30k virement and requests a supplementary estimate of £25k (£12k of which will be funded from sales of old equipment).

**7. Leisure – Developers Contributions**

- a) **Rephasings from 2006/07**
- b) **Portfolio Holder Decisions** – Based on Portfolio holder decisions in January and March the following budget allocations have been approved:
- £130k – Ashley Rugby Ground New Milton
  - £15k – Bransgore Pavilion and Recreation Ground

£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
	1452		1452
4			4
<b>4</b>	<b>1452</b>	<b>0</b>	<b>1456</b>
	425		425
	27		27
25			25
	10		10
25			25
<b>50</b>	<b>462</b>	<b>0</b>	<b>512</b>
	111		111
		145	145
<b>0</b>	<b>111</b>	<b>145</b>	<b>256</b>

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**8. Planning & Transportation**

- a) **Rephasings from 2006/07**
- b) **St John's Car Park Hythe (BRO J Bull)** – A total of £101k was approved following the suspension of financial regulations by the Director of Resources. The funding is made up of a £37k virement from the Ringwood Long Stay Additional Spaces scheme, a £23k virement from the parking revenue maintenance budget and a £41k supplementary estimate. £8k has been rephased into 2008/09 for retention payments. Subsequent to the suspension, additional costs of £86k have been identified. These are the subject of a separate report on this agenda.
- c) **Ringwood Long Stay Additional Spaces (BRO J Bull)** - £37k of this budget has been vired to St John's Car Park Hythe (see above). The remaining budget of £20k has been deleted from the programme as the Town Council felt the scheme should not go ahead given its environmental impact and limited number of new spaces provided.
- d) **Ampress Enhance Public Transport/ Lymington Town Cycle Route (BRO N Hunt)** – Contributions to HCC from NFDC held developers' contributions for transport related schemes have been allocated to this project via a Portfolio Holder decision (14/03/07).
- e) **Footway Extension, The Bickerley (BRO N Hunt)** – Contributions to HCC from NFDC held developers' contributions for a footway extension at the Bickerley, Ringwood have been allocated to this project via a Portfolio Holder decision (19/06/07).

£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
	70		70
187	-8		179
-37		-20	-57
		153	153
		10	10
<b>150</b>	<b>62</b>	<b>143</b>	<b>355</b>
<b>204</b>	<b>2038</b>	<b>288</b>	<b>2530</b>
	284		284
<b>0</b>	<b>284</b>	<b>0</b>	<b>284</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>284</b>	<b>0</b>	<b>284</b>
<b>204</b>	<b>2322</b>	<b>288</b>	<b>2814</b>

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

- a) **Rephasings from 2006/07**

**10. Housing – Public Sector**

- a) No new variations to report

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

**FORECAST FULL YEAR HOUSING REVENUE ACCOUNT**  
**EXPENDITURE 2007/08**  
**AND ACTUAL FOR THE PERIOD APRIL 2007 TO JUNE 2007**

	FULL YEAR FORECAST					PERFORMANCE TO JUNE				Outstanding Commitment £000s
	Original Budget £000s	2006/07 Slippage £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	-19282	0	0	-19282		-4821	-4756	65	99	0
Other Rent Income	-708	0	0	-708		-163	-165	-2	101	0
Service Charge Income	-1172	0	0	-1172		-270	-290	-20	107	0
Government Subsidy	6984	0	0	6984		1397	1404	7	101	0
Other Income	-562	0	0	-562		-156	-96	60	62	0
<b>Total Income</b>	<b>-14740</b>	<b>0</b>	<b>0</b>	<b>-14740</b>		<b>-4013</b>	<b>-3903</b>	<b>110</b>	<b>97</b>	<b>0</b>
Reactive Maintenance	1810	0	0	1810		302	34	-268	11	545
Cyclical Maintenance/DFG	1582	0	0	1582		264	268	4	102	347
Supervision & Management	4861	0	0	4861		1240	1148	-92	93	40
Rent Rebates	208	0	0	208		52	54	2	104	0
Revenue Cont. to Major Repairs	1932	0	0	1932		251	0	-251	-	0
Environmental Enhancements	100	0	0	100		13	0	-13	-	0
Capital Financing Costs	328	0	0	328		0	0	0	-	0
Depreciation	3311	0	0	3311		430	47	-383	11	606
Other Expenditure	56	0	0	56		30	25	-5	83	0
<b>TOTAL EXPENDITURE</b>	<b>14188</b>	<b>0</b>	<b>0</b>	<b>14188</b>		<b>2582</b>	<b>1576</b>	<b>-1006</b>	<b>61</b>	<b>1538</b>
Deficit/Surplus (-)	-552	0	0	-552		-1431	-2327	-896	163	1538

**New Variations – Housing Revenue Account**

£000

1. No new variations to report

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**0**


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