

## FINANCIAL REPORT – FORECAST FULL YEAR AND ACTUAL FOR THE PERIOD APRIL 2007 TO AUGUST 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 after the appropriate appendix.
- 1.3 Cabinet approval is sought for all variations identified, but in addition, budget increases in excess of £50,000, must also be approved by Council at their next meeting.

### 2 GENERAL FUND (APPENDIX 1)

- 2.1 Total new variations to August show an estimated increase in net expenditure of £48,000, bringing the total reported variations for the year to a net increase in expenditure of £39,000.
- 2.2 Excluding budget virements, the major variations are listed below, but full details are set out in Appendix 1.

VARIATIONS	£'000
CCTV (Crime & Disorder)	-23
Economic Development (Employment, Health & Wellbeing)	-20
Lymington Health and Leisure Centre (Leisure)	20
Dibden Golf Centre (Leisure)	47
Concessionary Travel (Planning & Transportation)	101
Land Charges (Planning & Transportation)	200
Parking (Planning & Transportation)	-29
Vehicles and Equipment Provision	-11
Interest Earnings	-229
Other	-8
<b>Total</b>	<b>48</b>

- 2.3 Appendix 1 shows that actual expenditure at the end of August is £111,000 below the profiled budget expenditure, but this is more than offset by outstanding commitments of £356,000.

- 2.4 Following a recent court judgement in respect of the 'Local Authority Business Growth Incentive Scheme Grant (LABGI)', the Council has received a letter from the Department of Communities and Local Government on 6 September, confirming that it will receive a further payment of £341,087 in respect of payments due for 2 previous years. Whilst this does not affect budgets, it does provide the Council with a funding windfall in the short term.

### 3 CAPITAL EXPENDITURE (APPENDIX 2)

#### 3.1 Other Services (Excluding Housing)

- 3.1.1 New variations show a decrease in 2007/08 expenditure of £1,889,000, but excluding items of rephasing, virement, developers' contributions and external funding, there is a decreased call on the Council's capital resources of £153,000. The new variations are summarised in the table below:

<b>VARIATIONS</b>	<b>£'000</b>	<b>£'000</b>
Rephasings to 08/09 or 09/10:		
Hurst Spit (Environment)	-1,502	
Totton Health and Leisure Centre (Leisure)	-269	
Remodel Council Chamber (Finance&Efficiency)	<u>-30</u>	<b>-1,801</b>
Vehicles & Plant (Finance&Efficiency)		-159
Council Chamber Sound System (Finance&Efficiency)		-20
Marsh Lane Depot DDA (Finance&Efficiency)		10
Marchwood Play Area (Leisure – Developers Contrib.)		15
Ampress to Lymington Cycle Route (Planning & Transportation Developers Contributions)		50
Other		<u>16</u>
<b>Total</b>		<b><u>-1,889</u></b>

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.

<b>IMPACT ON CAPITAL RESOURCES</b>	<b>£'000</b>
Rephasing to 08/09 or 09/10	-1,801
Variations funded through Developers' Contributions	65
Variations matched by movement in external resources	0
Transfer from Revenue	0
Variations falling on Council's Capital Resources	<u>-153</u>
<b>Total</b>	<b><u>-1,889</u></b>

### 3.2 Housing

3.2.1 No new variations are reported in this period and as a result there is no further impact on 2007/08 expenditure at this stage.

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

## 4 HOUSING REVENUE ACCOUNT (APPENDIX 3)

4.1 Increased interest rates and greater than expected balances at the start of the year mean that the projected interest earning projection can be revised and a positive variation of £31k be reported. The revised HRA surplus for the year is as a result £583k.

4.2 Appendix 3 shows that actual net surplus at the end of August is £512,000 ahead of the profiled budget surplus, there are however substantial outstanding commitments in respect of maintenance expenditure.

## 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 approve supplementary estimates of
  - £200k in respect of reduced land charges income (see separate report in Appendix 4).
  - £101k in respect of increased concessionary travel scheme costs (see separate report in Appendix 6).
- 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 AUGUST 2007**

	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	
Crime & Disorder	741	0	-23	718	1	290	330	40	114	2
Employment, Health & Wellbeing	2320	-5	-26	2289	2	777	628	-149	81	8
Environment	6231	11	-5	6237	3	2572	2545	-27	99	38
Finance & Efficiency-Direct	4845	-19	0	4826	4	3429	3370	-59	98	9
Finance & Efficiency-Holding	0	0	0	0	5	0	0	0	0	0
General Purposes & Licensing	659	0	0	659	6	296	415	119	140	11
Housing	1435	0	0	1435	7	506	435	-71	86	8
Leisure, Culture & Youth	2905	19	70	2994	8	1349	1319	-30	98	211
Planning Development Control	930	138	0	1068	9	254	452	198	178	21
Planning & Transportation	2102	-8	272	2366	10	397	265	-132	67	48
Business Unit Asset Rentals	-1115	0	0	-1115						
<b>Service Expenditure</b>	<b>21053</b>	<b>136</b>	<b>288</b>	<b>21477</b>		<b>9870</b>	<b>9759</b>	<b>-111</b>	<b>99</b>	<b>356</b>
Capital Financing Provision	669	23	0	692	11					
Vehicles & Equipment Provision	1161	-4	-11	1146	12					
Interest Earnings	-1135	0	-229	-1364	13					
<b>Net Expenditure</b>	<b>21748</b>	<b>155</b>	<b>48</b>	<b>21951</b>		<b>9870</b>	<b>9759</b>	<b>-111</b>	<b>99</b>	<b>356</b>
Transfer to (from) Comm. Servs	-22	0	0	-22	14					
Transfer to (from) Rev. Res.	0	-164	0	-164	15					
Transfer to (from) Cap Programme	0	9	-48	-39	16					
<b>TOTAL REVENUE</b>	<b>21726</b>	<b>0</b>	<b>0</b>	<b>21726</b>		<b>9870</b>	<b>9759</b>	<b>-111</b>	<b>99</b>	<b>356</b>

**New Variations – General Fund Revenue Expenditure**

£000

**1. Crime & Disorder**

- a) **CCTV (BRO M Powell)** – A new 5 year contract has been negotiated, commencing in April this year. The previous contract covered part of the same year and this resulted in a refund of £23k.

-23

-23**2. Employment, Health & Wellbeing**

- a) **Environmental Health Services (BRO D Jordan)** – Reduced employee costs allocated from the Health and Commercial business unit are expected to lead to a saving of £3k.
- b) **Environmental Health Services (BRO D Jordan)** – £3k has been vired from the smoke free budget held within the Food Safety service to Street Scene, for the provision of street cigarette litter bins.
- c) **Economic Development (BRO N Miller)** – Savings of £20k are anticipated due to a combination of efficiencies, outsourcing of the “Business Connexions” newsletter, and revisions to the New Forest Business Partnership’s events programme.

-3

-3

-20-26

	£000
<b><u>3. Environment</u></b>	
a) <b>Clean Neighbourhoods &amp; the Env (BRO G Miles)</b> - Implementation costs are less than originally envisaged as key tasks have been integrated into existing roles.	-8
b) <b>Street Scene (BRO M Cash)</b> - £3k has been vired from the smoke free budget held within the Food Safety service to Street Scene, for the provision of street cigarette litter bins.	3
	<u>-5</u>
<b><u>4. Finance &amp; Efficiency</u></b>	
a) No new variations to report	<u>0</u>
<b><u>5. Finance &amp; Efficiency (Holding)</u></b>	
a) No new variations to report	0
	<u>0</u>
<b><u>6. General Purposes and Licensing</u></b>	
a) No new variations to report	0
	<u>0</u>
<b><u>7. Housing</u></b>	
a) No new variations to report	0
	<u>0</u>
<b><u>8. Leisure, Culture &amp; Youth</u></b>	
a) <b>All HLCs (BRO B Millard)</b> - Please see report attached as Appendix 5.	20
b) <b>Totton HLC (BRO B Millard)</b> – Net reduction in income due to rephasing proposals for capital schemes.	3
c) <b>Dibden Golf Centre (BRO B Millard)</b> - Please see report attached as Appendix 5.	47
	<u>70</u>
<b><u>9. Planning Development Control</u></b>	
a) <b>No new variations to report</b>	0
	<u>0</u>
<b><u>10. Planning &amp; Transportation</u></b>	
a) <b>Concessionary Travel (BRO G Miles)</b> – Please see report attached as Appendix 6	101
b) <b>Land Charges (BRO C Elliott)</b> – Please see report attached as Appendix 4.	200
c) <b>Parking (BRO J Bull)</b> - This saving is made up of several items:	
An increase in the annual rental of Lyndhurst car park from 25/12/07	£14k
Anticipated additional Town Centre meter income (2.5% of budget)	-£23k
An increase in the number of PCN's issued/paid	-£25k
An increase in the price of the 2008 clock from £8 to £10	-£20k
A shortfall in income from Hythe Market due to poor weather and the reconstruction of St John's car park	£7k
Additional staffing costs mainly due to long term sickness and a greater than anticipated workload dealing with PCN's	£18k
	-29
	<u>272</u>
<b><u>11. Capital Financing Provision</u></b>	
a) No new variations to report	0
	<u>0</u>
<b><u>12. Vehicles and Equipment Provision (BRO K Green)</u></b>	
a) As a result of the rephasing of equipment purchases the vehicles and equipment provision can be reduced by a total of £11k.	-11
	<u>-11</u>

	£000
<b><u>13. Interest Earnings (BRO K Green)</u></b>	
a) Due to increased interest rates and higher balances at the start of the year than anticipated at the time of the original estimates interest earnings are expected to increase by £229k.	-229
	<u>-229</u>
<b><u>14. Commercial Services</u></b>	
a) No new variations to report	0
	<u>0</u>
<b><u>15. Transfers to/from (-) Revenue Reserves</u></b>	
a) No new variations to report	0
	<u>0</u>
<b>TOTAL ALL NEW VARIATIONS (REVENUE)</b>	<u><u>48</u></u>

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

	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	
Crime & Disorder	0	0	0	0	1	0	0	0	0	0
Employment, Health & Wellbeing	22	35	0	57	2	36	0	-36	0	2
Environment	237	-4	0	233	3	0	6	6	0	0
Env (Coastal Protection)	2706	-80	-1502	1124	4	468	646	178	138	30
Finance & Efficiency	2084	1456	-186	3354	5	1467	1103	-364	75	1185
Leisure, Culture & Youth	1773	512	-266	2019	6	679	381	-298	56	280
Leisure C&Y - Developers Contrib.	150	256	15	421	7	145	147	2	101	0
Planning & Transportation	369	355	50	774	8	452	395	-57	87	26
<b>Subtotal Other Services</b>	<b>7341</b>	<b>2530</b>	<b>-1889</b>	<b>7982</b>		<b>3247</b>	<b>2678</b>	<b>-569</b>	<b>82</b>	<b>1523</b>
Housing-Private Sector	3067	284	0	3351	9	132	288	156	218	2
Housing-Public Sector	5343	0	0	5343	10	1015	552	-463	54	886
<b>Subtotal Housing</b>	<b>8410</b>	<b>284</b>	<b>0</b>	<b>8694</b>		<b>1147</b>	<b>840</b>	<b>-307</b>	<b>73</b>	<b>888</b>
<b>TOTAL CAPITAL</b>	<b>15751</b>	<b>2814</b>	<b>-1889</b>	<b>16676</b>		<b>4394</b>	<b>3518</b>	<b>-876</b>	<b>80</b>	<b>2411</b>

**New Variations – Capital Expenditure**

**1. Crime & Disorder**

- a) No new variations to report

**2. Employment, Health & Wellbeing**

- a) No new variations to report

**3. Environment**

- a) No new variations to report

**4. Environment – Coastal Protection**

- a) **Hurst Spit (BRO A Bradbury)** - Due to restrictions placed on the Coast Protection budget by DEFRA, it has been necessary to rephase works proposed for 2007/08 to 2009/10.

£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
			0
			0
			0
			0
	-1502		-1502
0	-1502	0	-1502

	£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
<b>5. Finance &amp; Efficiency</b>				
a) <b>Vehicles &amp; Plant (BRO J Steeds)</b> - The following positive variations have resulted in a £159k reduction in the capital expenditure requirement: 1 – Last year's slippage included provision of £125k for a glass collection vehicle. The bid was subsequently withdrawn and the budget can therefore be removed. 2 – £25k of expenditure had been planned for a scissor lift. As the old, leased one was still in good working order at the end of the lease it has been bought from the lessor for £5k, generating a saving of £20k. 3 – 2 quad bikes are no longer required and budget provision of £14k can therefore be removed.	-159			-159
b) <b>Council Chamber Sound System (BRO P Freeman)</b> – Original advice was that the existing Council Chamber sound system could not sensibly be upgraded and that a replacement was needed. Further investigations have proven that an upgrade is possible and will both meet future needs (see Remodel Council Chamber, below) and be undertaken at a much lesser cost. Quotes are now to hand and the works planned for this year can be completed for £15k providing a saving of £20k.	-20			-20
c) <b>Remodel Council Chamber (BRO P Freeman)</b> – It is our intention to employ an interior design consultancy to assist in producing the design options for the Chamber, and provide these (for appraisal/comment etc) by March 2008. An agreed scheme can then be implemented in 08/09. It is requested that the design work be funded from £10k of the £40k approved for 07/08, and that the remainder (£30k) should be re-phased to 08/09, when the works and furnishings will be procured. The newly upgraded sound system will be flexible enough to meet the needs if the Chamber includes demountable partitioning.		-30		-30
d) <b>Health and Safety Compliance (BRO P Freeman)</b> - In order to complete phase 2 of legionella works in offices and depots in this year a further £8k is required (The works are estimated to cost £40k, whilst the available budget is currently £32k).	8			8
e) <b>Marsh Lane Depot (BRO H Renwick)</b> - The Disability Discrimination Act work agreed by CMT in March 2007 included a £10k contribution to accessible toilets and showers, door widening and access improvements at the Marsh Lane Depot.	10			10
f) <b>ICT Equipment - (BRO K Connolly)</b> – Budget provision for a Wellness server has been vired from leisure budgets to ICT equipment	5			5
	<b>-156</b>	<b>-30</b>	<b>0</b>	<b>-186</b>
<b>6. Leisure, Culture &amp; Youth</b>				
a) <b>Totton HLC (BRO B Millard)</b> - The equipment in the gym has recently been upgraded. As part of that scheme, an additional £8k was required for a new sound and TV system to complement the new equipment. This £8k will be offset through capital receipts from the sale of the replaced equipment.	8			8

	£000 NFDC	£000 RE – PHASING	£000 OTHER	£000 TOTAL
b) <b>Totton HLC (BRO B Millard)</b> - The board at Totton College have recently submitted a request for a complete re-build of the College site. It is therefore sensible for the capital works due at the HLC, which shares the same site, to be rephased as follows: <ul style="list-style-type: none"> <li>• Accessible Gym and Equipment -£220k</li> <li>• Ladies Wet-side Toilet Refurbishment -£19k</li> <li>• Review of Accessible Parking -£13k</li> <li>• CCTV Upgrade -£17k</li> </ul>		-269		-269
c) <b>Equipment – Lymington HLC (BRO B Millard)</b> – This budget heading includes provision of £5k for a Wellness server. As this is ICT equipment the budget will be vired into the ICT capital budget.	-5			-5
	<b>3</b>	<b>-269</b>	<b>0</b>	<b>-266</b>
<b>7. <u>Leisure – Developers Contributions</u></b>				
a) <b>Developers Contributions (BRO M Devine)</b> - A Portfolio holder decision in July has approved funding from Developers Contributions for the Marchwood Village Centre Play Area			15	15
	<b>0</b>	<b>0</b>	<b>15</b>	<b>15</b>
<b>8. <u>Planning &amp; Transportation</u></b>				
a) <b>Ampress to Lymington Cycle Route (BRO N Hunt)</b> - This £50k relates to a further contribution to HCC from NFDC held developers contributions. As per PH decision 14/03/07.	0	0	50	50
	<b>0</b>	<b>0</b>	<b>50</b>	<b>50</b>
<b>TOTAL VARIATION (CAPITAL – OTHER SERVICES)</b>	<b>-153</b>	<b>-1801</b>	<b>65</b>	<b>-1889</b>
<b>9. <u>Housing – Private Sector</u></b>				
a) No new variations to report	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>10. <u>Housing – Public Sector</u></b>				
a) No new variations to report	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL VARIATION (CAPITAL – HOUSING)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL EXPENDITURE VARIATION</b>	<b>-153</b>	<b>-1801</b>	<b>65</b>	<b>-1889</b>

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

	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	-19282	0	0	-19282		-8156	-8031	125	98	0
Other Rent Income	-708	0	0	-708		-286	-276	10	97	0
Service Charge Income	-1172	0	0	-1172		-473	-490	-17	104	0
Other Subsidy	6984	0	0	6984		2794	2808	14	101	0
Other Income	-562	0	-31	-593		-82	-102	-20	124	0
<b>Total Income</b>	<b>-14740</b>	<b>0</b>	<b>-31</b>	<b>-14771</b>		<b>-6203</b>	<b>-6091</b>	<b>112</b>	<b>98</b>	<b>0</b>
Reactive Maintenance	1810	0	0	1810		603	561	-42	93	463
Cyclical Maintenance/DFG	1582	0	0	1582		527	487	-40	92	464
Supervision & Management	4861	0	0	4861		2091	2021	-70	97	21
Rent Rebates	208	0	0	208		87	89	2	102	0
Revenue Cont. to Major Repairs	1932	0	0	1932		367	0	-367	0	0
Environmental Enhancements	100	0	0	100		19	0	-19	0	0
Capital Financing Costs	328	0	0	328		0	0	0	0	0
Depreciation	3311	0	0	3311		629	552	-77	88	886
Other Expenditure	56	0	0	56		36	25	-11	0	0
<b>TOTAL EXPENDITURE</b>	<b>14188</b>	<b>0</b>	<b>0</b>	<b>14188</b>		<b>4359</b>	<b>3735</b>	<b>-624</b>	<b>86</b>	<b>1834</b>
Deficit/Surplus (-)	-552	0	-31	-583		-1844	-2356	-512		1834

**New Variations – Housing Revenue Account**

1. **Other Income (BRO D Brown)** - Due to increased interest rates and higher balances at the start of the year than anticipated at the time of the original estimates, interest earnings are expected to increase by £31k.

£000

-31  


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-31

**LOCAL LAND CHARGES FEE INCOME ( C Elliott)**

On 4 April 2007 the Cabinet set new fees for local land charges. The rationale for this change was to try and stem the increasing use of personal search agencies to gather property information as opposed to seeking a full search from the local authority. Personal searchers could collect most of the necessary information at a much cheaper cost than we were previously charging to provide the service. A reduction in our charges would lead to a loss of income. However, in the longer term this would not be as great as the impact of doing nothing and losing an increasing proportion of our full searches to personal searches.

The prediction in April was that we would lose £272,240 of income in the 2007/08 financial year as a result of the changes to the fees from 1 May 2007. We have now been monitoring the effect of the new fees for 3 months and it is now predicted that our loss of fee income for 2007-08 will be £200,000. At the moment there is little evidence that the effect of the change has had much impact on full/personal search ratio's. Our income is stronger than expected largely as a result of a higher total of searches being undertaken than was predicted.

The situation will continue to be monitored very carefully.

At the present time a supplementary estimate of £200,000 is sought for the predicted 2007/08 shortfall of land charge search fee income.

(reports/2007)local land charges fee

**INCOME SHORT FALL – DIBDEN GOLF CENTRE ( B Millard).**

2007 has witnessed one of the wettest spring/summer period on record with 15.inches of rainfall in May, June and July compared to the normal average of 6.6 inches and rainfall since January up by 45% on the normal average for that period.

This has inevitably affected usage and income at Dibden Golf Centre with utilization of the 18 hole course in particular substantially down on previous years.

The general change to a wetter climate which has occurred in recent years is also affecting sales of season tickets which are currently at their lowest level for some years.

The overall effect on income is a shortfall against budget as at the end of July of £47,000 which is unlikely to be recovered during the rest of the year.

**HEALTHY LIVING PROJECT – FUNDING REQUIREMENT (B Millard)**

The Healthy Living Project started in 2004-05 and was the outcome of an application to Sport England for part funding of a 3 year full time post and associated project funding to tackle obesity and health issues in Pennington as a follow up to the Councils Participatory Needs Assessment work in that locality. The project has delivered some important outcomes for the community in its first 2 years.

The grant from Sport England totalled £30,000 for the 3 year project but was conditional on being matched by a similar amount from both the PCT and the Council.

The Sport England funding was approved and the full contribution from both Sport England and the PCT has been received and used to fund the project in its first 2 years. However despite the District Council contribution being agreed for some reason only £10,000 was allocated to a budget and a further budget allocation of £20,000 is now required to fund the project in its third year.

**HAMPSHIRE COUNTYWIDE CONCESSIONARY TRAVEL SCHEME**

From 1 April 2006, the Council has had to provide free bus travel for residents aged 60 or over. The basis of reimbursing travel operators for this free travel is still subject to a series of formal appeals. The Secretary of State in his initial appeal determinations has removed the concept of a 'pool cap' and therefore there is now no upper limit on the reimbursement calculation.

MCL transport consultants, for the Hampshire Countywide Scheme have recently advised the 11 participating authorities of a significant increase in operator reimbursement. An interim scheme for reimbursement is now in place and negotiations are taking place for a final reimbursement scheme.

This significant increase arises from growth in fares and, in particular, the number of journeys. Whilst fares increases have been much in line with estimates, growth in journeys has substantially exceeded original projections. Data for the first quarter of 2007/08 shows increases up to 31% over the original projections for 2006/07. These original projections were based on data for the first two quarters of 2006/07.

The total expenditure for operator reimbursement now projected for the current interim scheme for NFDC shows an overall increase, over the original estimate of £173,000. This is partially offset by forecast savings of £53,000 on the local voucher scheme due to lower take up than estimated and £19,000 additional income from the reimbursement of surrendered travel tokens.

Therefore, a net supplementary estimate of £101,000 is required.