

## **Item 44 on agenda**

**Brighton & Hove City Council**

**For general release**

<b>Meeting:</b>	<b>Shoreham Airport Joint Committee</b>
<b>Date :</b>	<b>Friday 11<sup>th</sup> March 2005</b>
<b>Report of :</b>	<b>Airport Manager</b>
<b>Subject :</b>	<b>Forecast Outturn 2004/05 as at the end of January (Month 10)</b>
<b>Wards affected :</b>	<b>All</b>

The special circumstance for non-compliance with Council Procedure Rule 19, Access to Information Rule 5 and Section 100B(4) of the 1972 Local Government Act as amended, (items not to be considered unless the agenda is open to inspection at least five days in advance of the meeting) is that there were resourcing issues to be resolved before this report could be completed.

### **1. Purpose Of The Report**

- 1.1 To present the forecast of the revenue outturn for the Airport for 2004/05 for month 10 (January).

### **2. Recommendation**

- 2.1 That the forecast revenue outturn, showing an estimated surplus of £22,000 compared with a budgeted surplus of £25,000 is noted.

### **3. Provisional Outturn 2004/05**

- 3.1 Appendix 1 shows the provisional outturn for 2004/05 for the Shoreham Airport Joint Committee.
- 3.2 The details of the significant projected variances are given below.
  - 3.2.1 Employee costs are expected to underspend by £9,000 arising from vacancy control.
  - 3.2.2 The Supplies and Services budget is expected to overspend by £155,000. This includes the following: £99,000 extra fuel for resale; £27,000 additional security costs; £12,000 additional equipment (including a new non-directional beacon for navigation/landing purposes). The remaining £17,000 is an increase in research fees £9,000, subscriptions £3,000, legal fees £2,000, actuary fees of £1,000 and ad-hoc expenses of £2,000.
  - 3.2.3 The Airport insurers have notified their intention of increasing the Airport premiums by £4,500 in 2004/05 to cover the additional aircraft and passenger movements for the new scheduled flights which commenced in the early summer of 2004. This is accounted for under premises and accounts for the £4,500 overspend.
  - 3.2.4 Income is expected to increase by £137,000 mainly due to additional fuel sales, which is helped by the introduction of new scheduled flights.
  - 3.2.5 The £250,000 Airport capital programme for 2004/05 is expected to outturn on budget.

#### **4. Comments of the Airport Treasurer**

- 4.1 The level of General Reserves as at 31 March 2004 was £139,850, which is reasonable compared with the annual turnover of the Airport.
- 4.2 The forecast outturn at month 7 shows a surplus of £22,000 which would add to the General Reserves.

#### **5. Consultation**

- 5.1 The purpose of this report is to advise the Joint Committee of the provisional outturn at month 10 and therefore there has been no external consultation.

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<b>Wards affected</b>	All

### **Financial implications**

The Comments of the Airport Treasurer section of the report summarises the financial implications.

*Finance Office consulted* Peter Wright *Date* 7 March 2005

### **Legal implications**

When considering the proposals to address the budget position the impact of the Human Rights Act 1998 on the provision of council services is a relevant consideration.

### **Corporate/Citywide implications**

If the Airport makes a revenue surplus, this would increase its General Reserves, and minimise the risk of the Owning Authorities having to make contributions to fund Airport costs.

### **Risk assessment**

There has been no risk assessment for this report.

### **Sustainability implications**

There are no direct environmental implications arising from this report. However, it is believed that the reputation of the Airport's financial framework and its ability to demonstrate sound budgetary control, could have an impact on the willingness of other funding partners to invest in and with the Airport. This could affect the level of inward investment in respect of environmental projects.

### **Equalities implications**

There are no direct equalities implications arising from this report.

### **Implications for the prevention of crime and disorder**

There are no implications for the prevention of crime and disorder arising from this report.

**Background papers**

Budget and Accountancy files are held in Central Accountancy Services, King's House, Grand Avenue, Hove.

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