

BRIGHTON & HOVE CITY COUNCIL

Meeting: Shoreham Airport Joint Committee

Date : Friday 24 September 2004

Report of : Airport Manager

Subject : Forecast Outturn 2004/05 at month 5

Wards affected : All

1. Purpose Of The Report

- 1.1 To present the forecast of the revenue outturn for the Airport in 2004/05 for month 5 (August).

2. Recommendation

- 2.1 That the forecast revenue outturn, showing an estimated surplus of £29,000 compared with a budgeted surplus of £25,000 be 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 include the latest pay award and the expected underspend of £49,000 arises from vacancy control.
- 3.2.2 The Supplies and Services budget is expected to overspend by £86,000. This includes the following: £26,000 extra fuel for resale; £12,000 additional security costs; £27,000 additional equipment (including a new non-directional beacon for navigation/landing purposes); £8,000 Audit

Commission fees.

3.2.3 Income is expected to increase by £41,000 mainly due to additional fuel sales, which is helped by the introduction of new scheduled flights.

3.2.4 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 5 shows a surplus of £29,000 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 5 and therefore there has been no external consultation.

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Financial implications

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

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. As previously stated if the reputation of the Council's financial framework is good, then more opportunities for partnership working, particularly targeting specific areas may be created.

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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