

**MONITORING OF 2007-08 COMMUNITY SERVICES DIVISION
REVENUE BUDGET TO PERIOD 12.****Report By: Economic and Community Services Accountant****Wards Affected**

Countywide

Purpose

To advise Members of the net revenue expenditure against budget for Economic and Community Services to period 12 and the estimated year end outturn variance for the financial year 2007-08.

Financial Implications

None.

Background

1. The monitoring report for period 12 is attached as appendix 1. The report shows the Full year revised budget, actual expenditure against profiled budget and out-turn variance estimates for the main service areas within the Economic and Community Services Division.
2. At period 12 total expenditure to date is £9,404,123 against a predicted budget of £9,686,115, resulting in an underspend to date of just under £282,000. Detailed explanations of specific variances are outlined in the notes to the appendix.
3. The main service area detailing an under spend is Social and Economic regeneration, where a large number of Community grants for buildings (£121,655) and voluntary organisations (£72,276) have been offered but have not yet been paid (They are not paid until the requirement of the grant or SLA conditions are completely fulfilled). Economic Development will also transfer £79,266 to repay prudential borrowing for the RRZ Enterprise centre within the capital programme. The whole amount was repaid this year, to avoid any risk to budget in future years. Economic Development will receive future rental incomes to the value of £79,266 over the next three years. This adjustment will take place in period 13, year-end adjustments.
4. The only area where a current overspend is shown at period 12 is Countryside and Public Rights of Way, where there was an expected income from Herefordshire City Council (£137,815) that contributed to parks and open spaces. This amount is currently not reflected in the forecast variance outturn and will be funded through central budgets for 2007-08. For 2008-09 onwards the issue is expected to be resolved through dialogue between the two organisations. Further costs will be reimbursed from the property services department for maintenance and although savings have been made a predicted overspend of £7,363 is expected at the outturn as a result of the introduction of Queenswood parking charges being postponed.

Further information on the subject of this report is available from
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5. There is a forecast variance outturn of an overspend in Community Leisure and Halo of £208,665. The main reason for the overspend is the settlement of the JE amount which sees an amount of £67,000 net due for 2006-07 and an additional £140,000 over the available budget due for 2007-08.
6. The Cultural Services heading includes costs for Libraries, Tourist Information Centres, Museums, Heritage Centres and arts facilities. The current under spend position relates mainly to the balances currently on the Courtyard Revenue and Capital funds that will be transferred at the year end (Capital £29,772 and Revenue £14,045 total £43,817)
7. The current overspend on Heritage and under spend on Library services will be corrected by the Museum service transferring charges to Library services for 50% of building maintenance cost related to the shared premises in Broad Street Hereford. This adjustment will form part of the year-end closedown procedure adjustments.
8. IT SLA charges will be charged to the services during period 13 and it is forecast that the estimated outturn for Libraries will be £73,921 overspent. This relates primarily to an estimated £68,000 charges from the IT division in relation to the maintenance cost of PC's used for public Internet access in the Libraries. This was not allocated within the budget when the fee was increased.
9. In summary three main issues have been highlighted in this report and the following steps have been put in place to address these items. Firstly a separate report is being prepared on the issue involved with Halo JE cost. Secondly the current overspend in parks and countryside is being addressed by continued dialogue between Hereford City Council and Herefordshire Council to resolve this issue and thirdly in relation to ICT costs for libraries, Cultural services are continuing to negotiate future years cost with the ICT division.

RECOMMENDATION

THAT The Revenue budget position be noted.

BACKGROUND PAPERS

- Appendix 1 attached.
- Appendix 1 notes attached