

REVENUE BUDGET MONITORING 2008/09**Report By: Director of Resources****Wards Affected**

County-wide.

Purpose

1. To advise members of the financial position for the Community Services budgets for the period to 31st August 2008. The report lists the variances against budget at this stage in the year and a projected outturn for 2008/09.

Financial Implications

2. There is a projected overspend in Community Services, prior to any management action to reduce it, of £300,000.

Considerations

3. The detailed Budget Monitoring Report to 31st August 2008 is attached at Appendix I for Members' consideration.
4. The total Community Services budget for 2008/09 has increased to £9,925,722 from the amount reported to previous meeting, which was £9,789,458.
5. This net increase of £136,264 relates to:
 - i) Transfer of budget relating to the annual contributions to Job Evaluation costs for staff transferred to HALO (£259,185) and Amey Wye Valley Ltd (£70,310). This budget was previously held centrally.
 - ii) A reduction of £165,000 in Economic Development. This relates to income from commercial premises previously used to fund Edgar Street Grid (ESG) operational costs. This has now ceased and Advantage West Midlands will now directly grant fund the operational costs of ESG.
 - iii) Reduction of Management budget by £28,231 following the disaggregation of the Head of Service budgets. This reflects a transfer of budget associated with the reorganisation of directorates.

6. The summary position is set out in the table below.

2008/09	Budget	Projected Outturn	Overspend
<u>Service Area</u>	£000	£000	£000
Cultural Service	3,939	4,039	100
Community Leisure & HALO	1,617	1,817	200
Parks, Countryside & PROW	2,190	2,190	-
Social & Economic Regeneration	1,957	1,957	-
Management	223	223	-
Community Services Total	9,926	10,226	300

Cultural Services

7. The other main area of overspend of £100,000 is the cost of maintaining public access PCs within Libraries which resulted in an overspend of £88,000 in 2007/08.

Community Leisure & HALO

8. Leisure is expected to overspend by £200,000 in relation to the HALO Job evaluation payment issue. The Council has a legal requirement to meet in full the financial impact of increases in pay of transferred posts affected by the single status agreement. The original central budget was set based on assumptions that were reasonable at the time about pay grades. Over time funding has become insufficient as staff have progressed through pay grades.

9. The Chief Executive has set an expectation that Directorates produce management proposals to bring expenditure back to balance at the end of the financial year.

RECOMMENDATION

THAT the report be noted and that the next report indicates action taken to address the projected overspend.

BACKGROUND PAPERS

- None identified

APPENDIX

Appendix 1 – Summary Revenue Budget Monitoring Report 2008/09 to 31st August 2008