

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 October 2008. The report lists the variances against budget at this stage in the year and a projected outturn for 2008/09.

Financial Implications

2. The current position for Community Services is a projected overspend of £230,000. The Community Services Scrutiny Portfolio includes services within the Environment & Culture Directorate and the Regeneration Directorate. Those services projected to overspend all sit within the Environment & Culture Directorate.

Considerations

3. The detailed Budget Monitoring Report to 31st October 2008 is attached at Appendix I for Members' consideration.
4. The total Community Services budget for 2008/09 has increased to £9,953,992 from the amount reported to previous meeting, which was £9,925,722.
5. This increase of £28,270 results from the re-alignment of Head of Service budgets following the reorganisation of directorates.

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	3,969	30
Community Leisure & HALO	1,617	1,817	200
Parks, Countryside & PROW	2,190	2,190	-
Economic & Community Services	1,957	1,957	-
Management	251	251	-
Community Services Total	9,954	10,184	230

Cultural Services

6. There is a predicted overspend of £80k in relation to the cost of maintaining public access PCs within Libraries. Savings of £50k on other Library expenditure have been identified to reduce the overall pressure to £30k.

Community Leisure & HALO

7. Leisure is expected to overspend by £200k 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.

Recovery Plans

8. Following the initial budget outturn projections for 2008/09 that projected an overspend of £1.671m across the Council; the Chief Executive gave clear instructions that Directorates are to deliver balanced budgets. As a result all directorates have put together budget recovery plans with the support of Financial Services. The plans are based on the latest projected outturns and include actions to deliver a balanced 2008/09 budget. The plans will form part of the directorate routine budget monitoring and will be updated as the year progresses so that actions can be changed if necessary.
9. Both the Environment & Culture and Regeneration directorates have significant budget pressures in 2008/09. Action is being taken to identify savings to reduce the forecast overspends. Progress has been made around vacancy management and limiting uncommitted expenditure. £30k further savings have been identified in Cultural Services through vacancy management. There are also potential savings of up to £50k in Economic and Community Services Regeneration as in year savings sourced from freeze on community grants, delayed spend on projects and reduced promotional activity.
10. The overspend on job evaluation costs outlined in paragraph 7 will be met at year end from general fund reserves. The treatment of the position in 2009/10 will be reviewed as part of the budget setting process.

RECOMMENDATION

THAT the report be noted.

BACKGROUND PAPERS

- None identified

APPENDIX

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