

REVENUE BUDGET MONITORING

Report By: Director of Resources

Wards Affected

County-wide.

Purpose

1. To advise the committee of the final revenue outturn position for Community Services for 2008/09 and to outline the agreed budget for 2009/10 and highlight any emerging pressures that have been identified.

Financial Implications

Revenue Outturn 2008/09

2. In overall terms the final revenue outturn variance for Community services was a net overspend of £63,000. Cultural services, Community Leisure and HALO, Parks and Countryside, Public Rights of Way and Cultural and Leisure management form part of the Environment Directorate and Social and Economic Regeneration and Head of Economic and Community regeneration form part of the Regeneration Directorate. The variances on the individual areas form part of their respective Directorate's final outturn position.
3. A summary of the final revenue outturn variances is set out below, with further detail included in Appendix 1.

2008/09	Final Outturn Variance Over/under spend
<u>Service Area</u>	£000
Cultural Services	205
Community Leisure & HALO	13
Parks Countryside & Public Rights of Way	-142
Head of Culture & Leisure	47
Social & Economic Regeneration	-50
Head of Economic & Community Regeneration	-10
Community Services Total	63

Culture and Leisure

4. As previously projected, expenditure exceeded budget by £200,000 in relation to the HALO job evaluation costs. 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 progressed through the pay grades. For 2008/09 this was met by transferring the sum from reserves at year end. From 2009/10 the amount is being built into the council's base budget.
5. Libraries overspent by £102,000. This was mainly due to insufficient budget to meet IT SLA costs including maintenance of the public access PC's resulting in an overspend of £80,000, along with other minor pension costs and shortfalls in income.
 6. Tourism overspent by £82,000 mainly due to staff costs and shortfalls in income.
 7. There was an overspend on Public Rights of Way of £30,000 due to contract inflation on works carried out by Amey Wye Valley Ltd
 8. There was an underspend of £172,000 on Parks and Countryside in relation to works held back or funded from Commuted sums in order to manage budget pressures within the Environment Directorate.
 9. An overspend on the Head of Culture and Leisure of £47,000 arose due to retirement costs of the previous Head of Service. The net overspend for Culture and Leisure was £123,000.

Economic and Community Services

10. There was an underspend £46,000 for Economic Development due to a reduced contribution to the Edgar Street Grid project being required on matched funded costs. There were also staff vacancy savings of £6,000 resulting in a total Economic Development underspend of £52,000.
11. Following an evaluation by Government Office for the West Midlands and an external audit report, the Action for Regenerating Communities in Herefordshire (ARCH) European project was completed at a net cost to Community Services of £28,000. Community Regeneration also made savings of £16,000 on Community grants.
12. Further savings of £10,000 were made within the Head of Economic and Community services costs. The overall net underspend for Economic and Community Services was £60,000.

Revenue Budget 2009/10

13. The total budget for Community Services in 2009/10 is £10,184,000. This is the controllable budget total before support costs are factored in. A breakdown of the budget is set out in Appendix 2.
14. The Medium Term Financial Strategy approved by council sets the broad framework for service revenue budgets for 2009/10 and onwards. Inflation was added to direct employee headings and utilities. Client and customer income budget targets were increased by 2.5%.
15. Additional budget to support partner job evaluation pressures in HALO of £240,000 and Amey Wye Valley Limited of £11,000 has also added to Community Services budgets.
16. £140,000 has also been added to the Parks budget for 2009/10 to reduce an income target no longer receivable. This relates to funding from Hereford City Council that is no longer used to fund routine grass cutting and is now used for additional project work.

17. As a result of the Performance Improvement Cycle (PIC), which concluded in January Directors were challenged about spending and saving proposals by the Director of Resources and the Policy and Performance team. This gave rise to the following changes to budgets due to the detail of expenditure requirements and savings identified.

<u>Further items identified by Directors through PIC process</u>	Budget Additions £000
Implementation of free swimming for children and over 60's	100
Additional support for Citizens Advice Bureau to sustain their activity and meet demands due to downturn of economy	20
Total	<u>120</u>

18. There has also been an adjustment to the 2009/10 service budgets in relation to ICT budgets. These are now being held centrally and will be allocated to the service at the end of the year. This means that budget pressures in relation to public access PC's in Libraries will no longer occur as this will be managed within the ICT budget.
19. There has also been a transfer in 2009/10 of £117,000 from Social and Economic Regeneration in relation to Community Safety to the Environment Health & Trading Standards service budget and it is assumed that this will now be reported to Environment Scrutiny.
20. Tourism has also been transferred in 2009/10 from Culture & Leisure to Social & Economic Regeneration, both within Community Services.

RECOMMENDATION

THAT the report be noted.

BACKGROUND PAPERS

- None identified

APPENDIX

Appendix 1 – Summary Community Services Outturn Variance Report 2008/09

Appendix 2 – Summary Community Services Revenue Budget Report 2009/10