

**MONITORING OF 2005-06 ECONOMIC AND COMMUNITY SERVICES REVENUE BUDGET TO PERIOD 6****Report By: Principal Accountancy Manager****Wards Affected**

Countywide

**Purpose**

To advise Members of the actual net revenue expenditure against budget for Economic and Community Services to period 6 of the financial year 2006-07.

**Financial Implications**

None.

**Background**

1. The monitoring report for period 6 is attached as appendix 1. The report shows the revised budget including agreed carried forward overspends and underspends from 2005-06, actual expenditure against profiled budget and out-turn estimates for the main service areas within the Economic and Community Services Division.
2. At period 6 total expenditure to date is £4,498,179 against a predicted budget of £5,297,919, resulting in an underspend to date of just under £800,000. Detailed explanations of specific variances are outlined in the notes to the appendix. The main reason for the underspend is the payment of the second half of Halo's management fee (£542,000) slightly later than anticipated. In addition several areas within Social and Economic Regeneration are underspent to date through a combination of external funding received in advance of expenditure and staff vacancies experienced in the first part half of the year.
3. There are no significant areas of concern at present and the majority of services are predicted to come in close to budget at year-end.
4. The only area where an in-year overspend is forecast at this time is Public Rights of Way, where a commitment to cover work on a footpath at Adforton has been agreed on the basis that the costs will partly be met by capacity within the PROW budget, with the remaining £10,000 being met by underspends across other service heads.
5. The carried forward leisure deficit of £134,000 will be reduced over the medium-term through annual payments from Halo due to commence in 2007-08.
6. In previous years the Parks and Countryside Service have experienced significant overspends on grounds maintenance. A management plan is now in place to ensure that the service comes in on budget by setting aside sufficient capacity to cover contractual commitments to HJS, and restricting all other expenditure to emergency health and safety work.

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Further information on the subject of this report is available from  
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7. At present expenditure is being managed in line with the plan, however there is a risk that unplanned work could be required in the winter months should adverse weather conditions be experienced. Any savings identified across the rest of the Division would have to be re-directed to mitigate significant unplanned work.
8. Underspends are forecast within Social and Economic Regeneration due to staff vacancies in the first 6 months of the year, however the service is now close to filling all vacancies, so further savings are unlikely. There may be a requirement for underspends generated to date to be used to fund unbudgeted costs for the Edgar Street Grid.
9. Community Safety receives a significant amount of grant funding from the Home Office. A £200,000 underspend in respect of these grants was carried forward from 2005-06. At this point of the year it is difficult to forecast the outturn position, however there is a possibility that an element of the up-front grant funding will not be fully spent within the year. Should this be the case a bid to carry forward unspent grant funding will have to be made in line with the Council's revised financial regulations and MTFMS.
10. The Cultural Services heading includes premises costs for Libraries, Tourist Information Centres, Museums and Heritage Centres. These premises are likely to incur significant increases in utility costs in line with market conditions. Any increases over budget will be mitigated by pulling back expenditure on discretionary headings.

## RECOMMENDATION

**THAT, subject to any comments that Members may wish to make, the report be noted.**

## BACKGROUND PAPERS

- None identified.