

HERTFORDSHIRE COUNTY COUNCIL

**COMMUNITY SERVICES SCRUTINY COMMITTEE
TUESDAY 13 JANUARY 2004 AT 10.00 AM**

Agenda Item No

4

BUDGET MONITOR TO 31ST OCTOBER 2003

Report of the Finance Director

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1. Purpose of Report

To enable the Committee to identify if there are any issues arising from the budget monitor that they wish to scrutinise.

2. Background

- 2.1 Within each of the services forming the Community Services portfolio, each area of the budget is allocated to a named manager who has responsibility for ensuring that services are delivered within the available funds. At the end of each month from May onwards reports are prepared that set out any changes in the budget, predicted variances, virement and carry forward proposals and any other items of budgetary concern.
- 2.2 Services send their reports to group spokesmen and to corporate finance who produce periodic summary reports that are considered by Cabinet.
- 2.3 At their meeting on 12 May the Scrutiny Co-ordination Panel resolved:
“That the regular Budget Monitor and 'Traffic Light' Monitor reports be included on the agenda of Scrutiny Committees on the basis that the reports are for noting not for discussion and to enable the Committees to identify issues for scrutiny.”
- 2.4 A summary of the reports to the end of October 2003 produced by services within the Community Services portfolio is attached as an appendix to this report for consideration.

3. Rural Implications

There are no direct rural implications arising out of this report.

4. Conclusions

Members are asked to decide if there are any items arising out of the budget monitor report that they wish to consider for future scrutiny.

Revenue Monitor

All services within the Community Services portfolio except libraries, HALS and Trading Standards are currently projecting that their spend will be in line with their latest approved budget with no material variances to report as at October 2003, as illustrated in the table 1 below.

Table 1

COMMUNITY SERVICES REVENUE BUDGET MONITOR AS AT OCTOBER 2003							
(all figures in £'000)							
SERVICE	Original Budget	Carry Forward from 2002/2003	Approved Virements & Technical Adjustments	Latest Approved Budget	Projected Spend at Year End	Projected Variance	Carry Forwards 2003/2004 Requested
Fire & Rescue	33,247		235	33,482	33,482	0	
Libraries, HALS, Arts & Trading Standards	21,150	90	349	21,589	21,502	(87)	87
Coroners	808	28	1	837	837	0	
Registration	720	18		738	738		
Emergency Planning	276	53		329	329	0	
Total	56,201	189	585	56,975	56,888	(87)	87

The following explanations for material variances within Libraries, HALS & Trading Standards were reported in the October 2003 monitoring report

Schools Library Service - £38,000 overspend

As previously reported, following poorer take-up of services by schools than last year, management action has been taken to restructure the Schools Library Service and reduce the on-going pressure this may put on the budget. The outturn now projected on this budget reflects the consequent redundancy costs.

Libraries IT - £75,000 underspend

As previously reported, the installation schedule for the new PCs in 2003/04 means that the Service has not been required to pay a full year's support charge for these machines. This leaves a projected net underspend of £75,000 on Libraries IT.

Libraries Income - £95,000 overspend

As previously reported, with the Best Value Review *not* raising fees and charges, this area has remained the focus of management attention. It is now anticipated that the shortfall in income will be £95,000.

Libraries Staffing - £95,000 underspend

Due to restructuring as part of the central review, and difficulties recruiting staff, several posts were unfilled for much of the year. In addition a vacancy freeze has been agreed with Unison

pending the introduction of single staffing. As a result, it is expected that staff underspends will cover the shortfall in Libraries income.

It is not anticipated that this scale of underspend will be repeated next year once these vacancies are filled, and because, as the single largest budget within Community Information, this budget is likely to be reduced as CI is asked to meet its share of corporate initiatives such as the graduate trainee programme.

Trading Standards – Staffing - £90,000 virement

At its December meeting, Cabinet approved a request to transfer £90,000 from Trading Standards staffing savings to purchase an off road vehicle to support animal health work, to commission two MORI and to purchase equipment.

The following potential carry forward requests were also signalled in the Libraries, HALS & Trading Standards October monitor

Libraries Repairs and Maintenance

There is a very real risk that there will be a significant underspend on repairs and maintenance, as a result of delays by property service suppliers during the year in getting commissioned work underway. It is intended that all underspend at the year-end will be carried forward, in order to eliminate the associated backlog in essential works.

Libraries Single Staffing - intended carry forward £87,000

It is currently intended that at the year-end approval will be sought to carry forward any net underspend total on Libraries, HALS, Arts & Trading Standards to assist with any one-off costs relating to the introduction of single staffing in mobile libraries and certain static libraries, including retirement and redundancy costs. As the introduction of single staffing is planned for 1 April, the costs will be clearer by the year-end.

Capital Monitor

Gross capital spending for all Community Services combined is forecast to be £1.7million below the approved budget of £5.674m as a result of slippage on fire station schemes at Bovington, Watford & St Albans. The summary capital monitor position is shown in table 2 below.

Table 2

COMMUNITY SERVICES CAPITAL BUDGET MONITOR AS AT OCTOBER 2003						
SERVICE	Original Budget	Adjustments & Virements (approved & requested)	Previous Year Slippage	Latest Budget	Projected Spend at Year End	Projected Year End Variance
	2003/04			2003/04		
	£000	£000	£000	£000	£000	£000
County Funded						
<i>Fire & Rescue</i>						
IT equipment for command & control	60		1	61	61	
IT upgrades	55		4	59	59	
Road traffic accident equipment	170			170	170	
Integrated command & control system replacement	125		125	250	250	
Information management systems	180			180	180	
Upgrading Bovington Fire station	500			500		(500)
Essential operational equipment	64			64	64	
Thermal imaging cameras	320			320	320	
DDA Works			150	150	150	
<i>Libraries, HALS, Arts & Trading Standards</i>						
HALS accommodation improvements	78			78	78	
DDA compliance	180		160	340	340	
Minor works - maintenance	100			100	100	
Public PC enhancement			202	202	202	
Borehamwood library refurbishment			1	1	1	
Internet service enhancement			1	1	1	
Externally Funded						
<i>Libraries, HALS, Arts & Trading Standards</i>						
NOF Excellence Fund		43		43	43	
Self Financing						
<i>Fire & Rescue</i>						
St Albans Fire Station	1,200			1,200	600	(600)
Watford Fire Station	1,000			1,000	400	(600)
Annual Provisions						
<i>Fire & Rescue</i>	225		92	317	317	
<i>Libraries, HALS, Arts & Trading Standards</i>	417		204	621	621	
<i>Registration</i>	17			17	17	
Total	4,691	43	940	5,674	3,974	(1,700)