

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Culture and Recreation
Date of Decision:	14 January 2010
Decision Title:	Culture, Communities and Rural Affairs Budget 2010/11, 2011/12 and 2012/13
Decision Reference:	1145
Report From:	The County Treasurer and Director of Culture Communities and Rural Affairs

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1. Executive Summary

- 1.1. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2009/10, detailed proposals for the 2010/11 budget and provisional budgets for 2011/12 and 2012/13.
- 1.2. This report has been prepared in consultation with the Executive Member and will be reviewed by the Culture, Communities and Rural Affairs Select Committee. It will be reported to the Leader and Cabinet on 5 February 2010 to make final recommendations to County Council on 18 February 2010.
- 1.3. The report considers revisions to the 2009/10 budget. In respect of the 2010/11 budget the report includes detailed proposals for redeployment of resources, efficiency improvements, the annual review of income and charges and the workforce implications of the proposed budget. The report outlines the provisional budgets for 2011/12 and 2012/13.
- 1.4. The budget proposals contained in this report are derived from the Departmental Business Plan, which is being developed to support the priorities of the Corporate Strategy (see report on the Departmental Business Plan elsewhere on the agenda).

2. Contextual information

2.1. The Cabinet agreed a three year budget plan for 2009/10 to 2011/12 in February 2009. The key features of the plan are as follows:

- it makes allowance for increased demand for social care services and for the projected higher costs of the waste management contract, but otherwise contains no provision for growth in service budgets
- all service budgets are uplifted for inflation based on the assumption that increases in pay would be contained within an average increase of 1.5% per annum for 2009/10 and 2010/11 and 2% for 2011/12 and increases in other prices would be contained within an average increase of 2.25% for 2009/10 and 2010/11 and 2.5% for 2011/12
- income is to be maximised by reviewing charges in line with the average inflation on the related gross expenditure
- it assumes that efficiency savings will be achieved to finance any proposed service developments, unfunded demand pressures or to cover excess inflation within the context of the Government's target for local government of annual efficiency savings of 3% per annum (4% from 2010/11)

2.2. In order to maintain a three year financial plan, Cabinet agreed an updated medium term financial strategy in October 2009 together with provisional guidelines for 2012/13, based on assumptions similar to 2011/12. In order to reduce the proposed council tax rise to 1.9%, assuming a 2% cash reduction in Government grant, Cabinet set a target for corporate recurring efficiency savings of £15 million from 2011/12 and a further £15 million recurring savings from 2012/13.

2.3. For this service, the budget guidelines are:

	£m
2010/11 guideline	34.484
2011/12 provisional guideline	35.401
2012/13 provisional guideline	36.128

2.4. The medium term financial strategy is closely linked to the Corporate Strategy and the Corporate Improvement Plan to ensure that priorities are affordable and provide value for money and that resources follow priorities.

Key Issues

3. Revised budget:

- 3.1. The cash limit for the revised budget is £34.229 million. Appendix 1 summarises the movement from the original base budget of £35.409 million. The overall reduction (£1.180 million – 3.4%) results primarily from adjustments to the original 2009/10 budget - the centralisation of IT costs (equating to £1.162 million) being the key feature. There have also been in-year reductions - namely the contribution towards CORVU, the Corporate performance management system (£24,000), as well as a reduction of £99,000 reflecting revaluations and subsequent rebates for Library Service rates charges.
- 3.2. The reductions listed have been partially off-set by a base budget transfer of £32,000 from Environment in support of the River Hamble IT costs. In addition, there has also been a contribution of £81,000 from Policy and Resources to support the management of the corporate Rural Strategy by the department.
- 3.3. In terms of the projected year end position for the revised budget, the trend of improvement due to management action is continuing. While a possible overspend in the region of £220,000 had been reported earlier in the year, this has been reduced down to within the region of £65,000, and managers are still applying firm budget management.
- 3.4. The main area of recovery has been the Library and Information Service, where income and employee budgets in particular have been the areas of greatest pressure. There have been significant efforts throughout the year to manage staff related expenditure - it is estimated that savings in the region of £380,000 will have been achieved by the end of the financial year by the prudent management of vacancies. Further contributions to the improved current year financial position include:
 - Savings on the Libraries element of the Culture Communities and Rural Affairs Senior Management Team review.
 - Savings on the implementation of Spydus (the Library Management System)
 - The reservation of an element of the Material Fund
- 3.5. With regards to the remaining pressures on Culture Communities and Rural Affairs for 2009/10, there is a residual pressure on the Arts Service as it is possible that a provision of £50,000 will be required to fund a possible year end deficit that might be incurred by Audiences South (formerly amh). This is the result mainly of a reduction in core grant funding to the unit from the Arts Council England, exacerbated by the general economic down-turn. Audiences South is working hard to avoid this deficit, but it remains a possibility.

- 3.6. In summary, the financial position will continue to be closely monitored for the rest of the financial year. On the basis of trends to date, it is anticipated that a balanced budget position will be achieved at the end of March 2010 (see the comparison of revised budget and cash limit in Appendix 2).

4. Base budget 2010/11:

- 4.1. The first stage in the construction of the budget for 2010/11 is the preparation of a base budget. This contains the current financial policies of the Council, to provide a starting point from which decisions can be made. The base budget for this service is £34.484 million at outturn prices. This compares to the provisional budget for 2010/11 estimated last year at £35.828 million.
- 4.2. Appendix 3 shows the make up of the base budget.
- 4.3. The base budget includes an overall net reduction in expenditure at constant prices of £1.374 million when compared to the 2009/10 original budget. The main variations include the following increases:
- an increase of £30,000 for the revenue effect of the capital programme.
 - an increase of £46,000 due to inter-departmental service related transfers including £32,000 from Environment to support the IT running costs of the River Hamble, and £14,000 from Policy and Resources as a contribution towards a Rights Of Way post.

These increases are off-set by reductions for:

- the repayment of previous invest to save loan (£175,000) used to fund one-off costs of the Library Service restructure in 2007/08.
 - the Pay and Benefits related income abatement (£139,000).
 - gross transfer of IT costs inclusive of 2010/11 inflation allocation (£1.188 million) for IT budget rebasing to reflect the change in the charging mechanism for IT in the County Council.
- 4.4 Over and above these base budget changes, the Culture Communities and Rural Affairs financial strategy for 2010/11 is to fund a series of priority service developments through the generation and re-deployment of efficiencies. Management proposals in respect of these will be extended to cover both redeployment and the small base budget reduction. Departmental efficiencies and mechanisms to attain them are outlined below.
- 4.5 Culture Communities and Rural Affairs services been asked to identify savings of 2% on their budgets (net of expenditure on grants and marketing). This will identify £620,000 (allowing for a contribution of £14,000 towards the costs of CORVU the Corporate performance management system). Taking this, and other efficiencies into account (see Appendix 4), over the last 4 years, Culture Communities and Rural Affairs services have achieved the 13% efficiency savings target, as shown in the table below:

Table showing Efficiency Savings Achieved Against Target
Over the Financial Years 2007/08 - 2010/11 inclusive

	Achieved £ million	Achieved %	Target %
2007/08	1.244	3.9	3.0
2008/09	1.090	3.3	3.0
2009/10	0.947	2.8	3.0
2010/11	1.030	3.0	4.0
Total	4.311	13.0	13.0

- 4.6 Targets are to be attained via a combination of vacancy management, reduction in supplies and services expenditure and increased income generation.
- 4.7 In terms of Departmental redeployment, an initial allocation of £240,000 has been made to the Library and Information Service. This will fund the following priorities for development:
- 4.8 During 2010/11 self-service technology will be installed in six further libraries (Basingstoke, Waterlooville, Chandler's Ford, Eastleigh, Lymington and Chineham). This will allow customers to issue and return their own books, DVDs etc. To make this possible, all the stock in these libraries will be tagged with new electronic tags. Based on experience elsewhere, it is expected that around 90% of books etc. will eventually be issued and returned directly by library customers, thereby freeing up staff to spend more time on other duties. The new technology will also make it possible to monitor stock and manage stock rotation more efficiently. The cost of the tags and installing the self service technology is approximately £80,000 annum for 5 years.
- 4.9 The Library Service is currently compiling a business case to install self service technology in all Hampshire's libraries and Discovery Centres. This could be part of a wider corporate initiative to use the Library Service to provide information on and access to other County Council services, particularly in relation to Personalisation in adult social care. Discussions on this are currently taking place with other County Council departments. As the business case is still under development, only the interim implementation outlined in paragraph 4.8 is reflected in the budget at this stage.
- 4.10 The development and upgrade/maintenance of IT infrastructure is another necessary component of the forward vision for the Library and Information Service. Priority areas include:

- The Peoples Network system (£50,000)
- Line upgrades and IT works alongside refurbishments (£80,000)
- Upgrading of IT learning suites (£15,000)

4.11 Other than the £240,000 allocation for the Library Service, efficiency savings have not yet been allocated. The balance is currently shown as part of the Policy Fund in the appendices to this report. It is proposed that decisions on the use of the balance of the savings will be taken at the July Decision Day, depending on policy, priorities and achievement of the proposed efficiencies. Potential calls on the resources could exceed the funding available. Two examples of possible calls on the resources are outlined below.

4.12 As reported previously, the departmental management structure and ways of working have been reviewed in the current financial year. In the new structure the three Assistant Directors have responsibility for promoting joint working at a departmental level and at a wider County Council Level through the key themes that form the basis of the Departmental Business Plan (see item elsewhere on the agenda). In order to support new thematic initiatives, pump priming funding will be needed to support activities in these areas and it is estimated that up to £400,000 could be required.

4.13 The Culture Communities and Rural Affairs Department has developed a programme whereby three traineeships providing vocational learning and on-the-job training will be offered to people from ethnic minority backgrounds. The cost is estimated to be in the region of £50,000 per annum.

5. Cost pressures, redeployment proposals and efficiency improvements 2010/11 - 2012/13:

5.1. The Cabinet requires all services to consider and report on:

- cost pressures absorbed within the budget guidelines
- the redeployment of any resources required to offset any new spending priorities, or inescapable budget pressures, or legislative requirements which otherwise cannot be met within their budget guidelines
- annual efficiency improvements.

5.2. Details of cost pressures absorbed and of redeployment proposals of £620,000 are included in Appendix 4. The background to these and the proposed management strategies are referred to above in section 4.

5.3 Culture Communities and Rural Affairs services will need to achieve further efficiency savings in future years, not only to fulfil corporate targets, but also to fund high priority service developments, including:

- The net revenue effect of the externally funded Runways End Youth Adventure Centre
- The CCRA contribution to the costs of implementing Hantsfile – the County Council's Information Management System
- Refreshing the pump priming resources for the Assistant Directors' policy initiatives in respect of thematic roles outlined earlier in this report

These amount to approximately 1.5% of the net revenue budget. A further potential requirement arises from the funding of a significant proportion of current Museums Service activity through the government's Renaissance in the Regions programme. The funding agreement runs to 31st March 2011. If funding were significantly lower in future years, this would create potential financial liabilities for the County Council as well as issues for the breadth and quality of the service.

- 5.4. The Government has set an annual efficiency target for local government overall of 3% increasing to 4% from 2010/11, all of which has to be cashable. Performance against this target is now published twice yearly as part of the national indicator set. The Efficiency Panel will agree and bring forward proposals to achieve recurring corporate efficiency savings of £15 million from 2011/12 (c.2%). In addition to these, Appendix 5 identifies efficiency improvements totalling £1.017 million. Of these, £0.62 million represent usable budget savings which are incorporated in the redeployment proposals in Appendix 4, and it is anticipated that these will be recurring.

6. Review of charges

- 6.1. The service's 2010/11 revenue budget includes total income of £13.505 million.
- 6.2. The fees and charges levied for the services provided by the Culture Communities and Rural Affairs Department are mainly discretionary. Normally these are reviewed annually by Service Managers. Charges are set in accordance with the policies and frameworks approved by the Executive Member. Charges are adjusted where appropriate with the aim of maximising income or furthering service policy objectives.
- 6.3. Approval is currently being sought for the following proposed changes to Library Service fees and charges (see report elsewhere on the agenda for full details):
- the introduction of annual membership cards
 - increases in charges for inter-library loans, research service and music loans
- 6.4. Income derived from charging policies is integral to the maintenance of both current and future levels of service provided by the Department. Due to the potential impact of the current economic uncertainty upon the disposable

income of service users, income generation will continue to be monitored closely throughout the financial year.

- 6.5. During 2009/10 the rate of VAT applied to goods and services was reduced (with no impact on income generation). The rate prior to the reduction is due to be reinstated for the new financial year – once again there will be a nil impact on income generation.

7. Other Expenditure

- 7.1. The budget includes some items which are not counted against the cash limit. This includes costs for central department support services (except where they have been given to departments to buy services), capital charges and the repair and maintenance of buildings. It also includes the costs of Member support which are rechargeable to the Policy and Resources budget for Corporate and democratic core services.
- 7.2. With the exception of capital charges, the categories of expenditure referred to are controlled by Policy and Resources. The final charges have not yet been agreed for the current and forthcoming financial year, hence at this stage of the budget reporting process they have been excluded pending confirmation.

8. Business units:

- 8.1. The trading accounts of the business units (Hampshire Wardrobe, Audiences South and the River Hamble) are summarised in Appendix 7.
- 8.2. The business units are projecting break-even positions for the current and forward financial years (2009/10 and 2010/11 respectively), although Audiences South faces the challenges outlined in paragraph 3.5. The budget for the Hamble will be considered at the River Hamble Board on the 29th January. The draw on the reserves in 2010/11 is the result of the replacement of the patrol boats.

9. Workforce implications

- 9.1. The workforce implications of the proposed budget for 2010/11 are set out in Appendix 10. The 2010/11 base budget supports a planned workforce of 988 full time equivalent (FTE) staff. This compares with the original estimate for 2009/10 of 1,011 which is a reduction of 23 FTE. This change is the result of a combination of:
 - vacancy management
 - senior management review
 - efficiency savings target

- 9.2. As shown in Appendix 4, the net effect of proposals for growth, savings and redeployment of resources is a reduction of 13 FTE which forms part of the 23 FTE in paragraph 9.1.

10. Provisional budget for 2011/12 and 2012/13

- 10.1. The provisional budget at outturn prices for 2011/12 and 2012/13 for this service is set out in Appendix 11 and summarised below:

2011/12 £ 35.401 million

2012/13 £ 36.128 million

11. Recommendation(s)

To approve for submission to the Leader and Cabinet:

- 11.1. The revised budget for 2009/10 totalling £34.229 million (as set out in appendices 1 and 2)
- 11.2. The base budget for 2010/11 totalling £34.484 million (as set out in Appendix 3)
- 11.3. The proposals for redeployment of resources totalling £620,000 in 2010/11 (as set out in Appendix 4)
- 11.4. The proposals for efficiency improvements totalling £1.017 million in 2010/11 (as set out in Appendix 5)
- 11.5. The annual review of income and charges (as set out in paragraph 6)
- 11.6. The summarised trading accounts of business units (as set out in Appendix 7)
- 11.7. The detailed budget for 2010/11 (as set out in Appendices 8 and 9)
- 11.8. The workforce implications of the proposed budget for 2010/11 (as set out in Appendix 10)
- 11.9. The provisional budget for 2011/12 of £35.401 million and for 2012/13 of £36.128 million (as set out in Appendix 11).

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	Yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Business plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

This report is in accordance with the budget strategy and the County Councils financial management policy. This policy applies equally to all services and ensures consistent financial management decisions across all services.

Appendices

Appendix		Colour
1	Revised budget 2009/10 – calculation of the cash limit	yellow
2	Revised budget 2009/10 – comparison with cash limit	yellow
3	Base budget 2010/11 – summary of cash limit	pink
4	Proposals for growth and redeployment 2010/11, 2011/12 and 2012/13	yellow
5	Efficiency statement	yellow
6	Optional – not required in this report	
7	Business units – summarised trading accounts	White
8	Revenue budget 2010/11 – analysis of variations by division of service	Blue
9	Revenue Budget 2010/11 – budget book detail	Green
10	Workforce levels and costs 2009/10 revised and 2010/11 original	Blue
11	Provisional budget 2011/12 and 2012/13	Pink
11 – Annex 1	Provisional budget 2011/12 and 2012/13 – analysis of variations by division of service	blue

Culture Communities and Rural Affairs**Revised budget 2009/10****Calculation of the cash limit for the revised budget 2009/10**

The following table shows the progression from the original budget for 2009/10 to the cash limit for the revised budget 2009/10. Both are at estimated outturn prices 2009/10.

	£'000	£'000
Original budget 2009/10 at outturn prices		35,409
Transfers to/from other services and contingency allocations:		
Transfer to Policy and Resources following County Treasurer's budget rebasing	-10	
Transfer from Policy and Resources for Rights Of Way Post	14	
Transfer from Environment for River Hamble IT running costs	32	
Transfer to IT services to reflect the change in charging mechanism for IT in the County Council	-1,162	-1,126
= Adjusted original budget		34,283
Inflation		
Provision added since the original budget for:		
Business Rates	-99	
Other variations:		
Transfer of 08/09 overspend to Policy and Resources	-8	
Transfer from Policy and Resources for Developer Contribution Manager	14	
Transfer from Policy and Resources for Rural Strategy	81	
Transfer to Policy and Resources for CORVU	-24	
Transfer to Policy and Resources for Talented Athletes	-13	
Transfer for 'Busy Bees' – Salary Sacrifice Scheme	-4	-53
= Cash limit for the revised budget 2009/10		34,229

Culture Communities and Rural Affairs

Revised budget 2009/10

Summary comparing the revised budget with the cash limit

	Cash Limit	Revised Budget	Variation
	£'000	£'000	£'000
Cash limited expenditure			
Museums and Archives	3,644	3,644	0
Milestones	346	346	0
Tourism Marketing and Design	580	580	0
Library and Information Service	18,371	18,371	0
Hampshire Learning	250	250	0
Countryside Service	4,910	4,910	0
Arts	2,201	2,201	0
Sport, Community and Outdoors	2,062	2,062	0
Calshot Activities Centre	261	261	0
Policy Development Initiatives	546	546	0
Directorate and Support Services	1,048	1,048	0
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Total	34,229	34,229	0
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Culture, Communities and Rural Affairs

Revenue budget 2010/11

Calculation of the base budget 2010/11 – summary of cash limited expenditure

The following table shows the progression from the original budget for 2009/10 which was prepared at outturn prices 2009/10 to the base budget 2010/11 at outturn prices 2010/11.

	2010/11 Base Budget	
		Now proposed
	£'000	£'000
Original budget 2009/10 at outturn prices		35,409
Transfers to/from other services and contingency allocations:		
Transfer to Policy and Resources following County Treasurer's budget rebasing	-10	
Transfer from Policy and Resources Rights Of Way Post	14	
Transfer from Environment for River Hamble IT running costs	32	
Transfer to IT services to reflect the change in charging mechanism for IT in the County Council	-1,162	-1,126
= Adjusted original budget		34,283
Increases for inflation to reflect November 2009 prices:		
- Inflation allocated during 2009/10 from the central inflation contingency (business rates)		37
Original budget at November 2009 prices		34,319

Other variations

- Transfer to Policy and Resources for CORVU	-14
- Revenue effects of capital programme	30
- Pay and Benefits reduction for income abatement	-139
- Repayment of Invest To Save to Policy and Resources	-175

Allocation for future inflation:

- Provision for all pay awards of 1.5% in 2010/11	429
- Increase in local government employers' pension contributions	107
- Provision for non-pay inflation at 2.25%	272
- Reduction for increased income	-345
= Base budget 2010/11 at outturn prices	34,484

Culture Communities and Rural Affairs**Proposals for growth and redeployment 2010/11 to 2012/13**

Proposals are shown at outturn prices for the relevant year.

Agreed proposals will be incorporated into future year's base budgets and so on-going costs are shown in the first year only. One-off costs are shown in the first year and subtracted from the following year.

	Staffing (FTEs)					
	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
	£'000	£'000	£'000			
Growth proposals:						
Library Developments	240	-	-	-	-	-
Others	380	-	-	-	-	-
Total increase allowed in the budget guidelines	620	-	-	-	-	-
Redeployment proposals:						
Arts, Heritage, Countryside and Rural Affairs	-207	-	-	-	-	-
Libraries and Information	-343	-	-	-	-	-
Communities	-41	-	-	-	-	-
Directorate and Support Services	-29	-	-	-	-	-
Total redeployment proposals	-620	-	-	-13	-	-
Net Change	0	-	-	-13	-	-

Culture Communities and Rural Affairs

Cashable efficiency improvements 2009/10 to 2012/13

	2009/10	2010/11	2011/12	2012/13
	£m	£m	£m	£m
a) Cashable efficiency improvements producing a budget saving and meeting the Government's definition of efficiency:	0.43	0.62	0.62	0.62
b) Cashable efficiency improvements producing a budget saving but <u>not</u> meeting the Government's definition of efficiency:				
c) Cashable efficiency improvements <u>not</u> producing a budget saving (increments):	0.517	0.397	0.397	0.397
Total cashable efficiency improvements	0.947	1.017	1.017	1.017
% of base budget	2.7	2.9	2.9	2.9

Notes

Cashable efficiency improvements occur when:

- inputs (money, people, assets etc) are reduced but outputs remain unchanged
- the price of inputs (procurement, labour costs etc) are reduced but outputs remain unchanged.

a) Cashable efficiency improvements producing budget savings and meeting the Government's definition of efficiency include general procurement savings against the budget provision of a 2.25% (2.5% for 2011/12 and 2012/13) increase in prices.

b) Cashable efficiency improvements producing budget savings but not meeting the Government's definition of efficiency include introducing new charges for services and fortuitous savings.

c) Cashable efficiency improvements not producing budget savings arise because the efficiency is avoiding unbudgeted cost e.g. staff reductions made to absorb increments, procurement efficiencies where costs are still exceeding 2.5%, capital receipts or developer contributions applied to avoid unplanned additional borrowing

Culture Communities and Rural Affairs

Business units – summarised trading accounts 2009/10 to 2012/13

	Original budget 2009/10	Revised budget 2009/10	Base budget 2010/11	Provisional forecast 2011/12	Provisional forecast 2012/13
	£'000	£'000	£'000	£'000	£'000
Audiences South					
Income	-373	-373	-373	-382	-391
Expenditure	373	373	373	382	391
Net operating (surplus) / deficit	0	0	0	0	0
Reserve Balance b/fwd	0	0	0	0	0
Reserve Balance c/fwd	0	0	0	0	0
Hampshire Wardrobe					
Income	-65	-66	-68	-70	-71
Expenditure	64	65	67	69	70
Net operating (surplus) / deficit	-1	-1	-1	-1	-1
Reserve Balance b/fwd	-18	-19	-20	-21	-22
Reserve Balance c/fwd	-19	-20	-21	-22	-23

	Original budget 2009/10	Revised budget 2009/10	Base budget 2010/11	Provisional forecast 2011/12	Provisional forecast 2012/13
	£'000	£'000	£'000	£'000	£'000
River Hamble					
Income	-718	-679	-664	-680	-697
Expenditure	675	540	609	624	639
Net operating (surplus) / deficit	-43	-139	-55	-54	-58
Add interest	-6	-2	-2	-2	-2
Reserve Balance b/fwd	-524	-529	-670	-627	-683
Draw on Reserve	0	0	100	0	0
Reserve Balance c/fwd	-573	-670	-627	-683	-743

Culture Communities and Rural Affairs
Revenue budget 2010/11
Analysis of variations by division of service

	Adjusted original budget 2009/10	Variation in inflation to November 2009 prices		Other base budget variations	Inflation allocation to 2010/11 outturn		Growth and redeployment proposals	Revenue Budget 2010/11
	£'000	£'000	%	£'000	£'000	%	£'000	£'000
Cash limited expenditure by division of service								
Museums and Archives	3,639	8		-25	54		-69	3,611
Milestones	335	11		-1	7		-7	346
Tourism Marketing and Design	581	0		3	8		-8	617
Libraries	18,497	10		-284	238		-102	18,360
Hampshire Learning	251	0		0	0		-5	245
Countryside	4,883	3		15	59		-93	4,848
Arts	2,204	2		9	27		-43	2,199
Sport Community and Outdoors	2,008	1		-10	25		-39	2,030
Calshot	259	2		-24	3		-4	237
Policy Fund	597	0		18	28		391	952
Directorate and Support Services	1,029	0		0	13		-21	1,039
Net cash limited expenditure	34,283	37		-299	463		0	34,484

Expenditure outside cash limit: Capital charges FRS17 pension adjustment								
Specific grants								
Total net expenditure								

Culture Communities and Rural Affairs

Revenue Budget 2010/11

Reconciliation of the original 2009/10 budget on the following pages with the 2009/10 budget in the published budget book.

	£'000	£'000
Net expenditure on page B97 of the published budget book		40,041
Adjustments for items not included in the budget report:		
Support Services and Repair and Maintenance of Buildings	-3,251	
Capital Charges	-2,545	
Adjustment for Pension Costs	1,114	-4,682
Adjustments made to the original budget figures:		
Transfer following County Treasurer's budget rebasing	-10	
Transfer from Chief Executives Department for Rights Of Way Post	14	
Transfer from Environment for River Hamble IT running costs	32	
Transfer to IT services to reflect the change in charging mechanism for IT in the County Council	-1,162	-1,126
Total net expenditure for 2009/10 original budget shown overleaf on page B97.		34,233

Culture Communities and Rural Affairs

Workforce levels and costs

	2009/10 Revised £'000	2010/11 Original £'000
Analysis of workforce costs in base budget:		
Salaries of permanent staff (including employer's national insurance and pension contributions)	29,788	29,796
Temporary/fixed term/casual staff	435	560
Agency staff	138	0
Additional hours	0	5
Total workforce costs	30,361	30,361
Average FTE staff actually in post	1,011	1,011
Staffing changes in growth, savings and redeployment proposals:		
Variation in staff (FTEs)	-22	-23
Variation in budget (£'000)	54	620
Workforce implications of budget proposals:		
FTE posts available	989	988
Workforce budget available (£'000)	30,415	30,981

Culture Communities and Rural Affairs
Provisional budget 2011/12 and 2012/13

The following table shows the progression from the 2010/11 proposed budget at outturn prices to the provisional budget for 2011/12 and 2012/13 at outturn prices.

	Now proposed
£'000	£'000
Proposed budget 2010/11 at outturn prices	34,484
- Base budget variations:	
- Exclusion of non-recurring 2010/11 expenditure:	
- Full year effect of 2010/11 growth proposals:	
Growth and redeployment proposals:	
Revenue effects	30
Reinstatement of Invest to Save repayment	175
Allocation for future inflation	713
Provisional budget 2011/12 at outturn prices	35,401
- Base budget variations:	
- Exclusion of non-recurring 2011/12 expenditure	
- Full year effect of 2011/12 growth proposals	
Growth and redeployment proposals	
Allocation for future inflation	727
Provisional budget 2012/13 at outturn prices	36,128

Annex 1 to Appendix 11

Culture Communities and Rural Affairs
Provisional budget 2011/12 and 2012/13
Analysis of variations by division of service

	Proposed Budget 2010/11	Base budget variations	Growth and redeployment	Inflation allocation to 2011/12 outturn		Provisional Budget 2011/12	Base budget variations	Growth and redeployment	Inflation allocation to 2012/13 outturn		Provisional Budget 2012/13
	£'000			£'000	£'000	£'000			%	£'000	£'000
Cash limited expenditure by division of service											
Museums and Archives	3,611	0	0	74	2.05	3,685	0	0	76	2.05	3,761
Milestones	346	0	0	7	2.05	353	0	0	7	2.05	360

	Proposed Budget 2010/11	Base budget variations	Growth and redeployment	Inflation allocation to 2011/12 outturn		Provisional Budget 2011/12	Base budget variations	Growth and redeployment	Inflation allocation to 2012/13 outturn		Provisional Budget 2012/13
Tourism Marketing and Design	617	0	0	13	2.05	630	0	0	13	2.05	643
Libraries and Information	18,360	175	0	381	2.05	18,916	0	0	389	2.05	19,304
Hampshire Learning	245	0	0	5	2.05	250	0	0	5	2.05	255
Countryside	4,848	0	0	99	2.05	4,947	0	0	101	2.05	5,049
Arts	2,199	0	0	46	2.05	2,245	0	0	47	2.05	2,291
Sport, Community and Outdoors	2,030	0	0	42	2.05	2,072	0	0	42	2.05	2,114
Calshot	237	0	0	5	2.05	242	0	0	5	2.05	247
Policy Fund	952	30	0	20	2.05	1001	0	0	20	2.05	1,021

	Proposed Budget 2010/11	Base budget variations	Growth and redeployment	Inflation allocation to 2011/12 outturn		Provisional Budget 2011/12	Base budget variations	Growth and redeployment	Inflation allocation to 2012/13 outturn		Provisional Budget 2012/13
Directorate and Support Services	1,039	0	0	21	2.05	1,060	0	0	22	2.05	1,082
Net cash limited expenditure	34,484	205	0	713	2.05	35,401	0	0	727	2.05	36,128
Expenditure outside cash limit											
Specific grants											
Total net expenditure											