

**DATE: 8 SEPTEMBER 2016**

**CORPORATE AND PUBLIC SERVICES FINANCIAL PERFORMANCE – FORECAST  
REVENUE AND CAPITAL OUTTURN FOR 2016/17**

**Ward(s)** All

**Portfolio:**

Councillor Sean Coughlan – Leader of the Council  
Councillor Jeavons – Deputy Leader and Regeneration  
Councillor Julie Fitzpatrick – Community, Leisure and Culture  
Councillor Jones – Clean and Green  
Councillor Diane Coughlan – Social Care  
Councillor Nawaz – Personnel and Business Support

**Summary of report**

This report summarises the forecast revenue and capital financial position for 2016/17, based on the latest position, for services within the remit of the Corporate and Public Services Overview and Scrutiny Committee.

The services that fall under this scrutiny panel fall under two Directorates as part of the operational reporting lines of the Council. Whilst all services listed here fall under this scrutiny panel the accountability for the services is split between the Change and Governance Directorate and the Economy and Environment Directorate

**Reason for scrutiny**

To inform the committee of the forecast financial position for 2016/17 to allow the scrutiny of the financial performance of the services within the panel's remit.

**Recommendation**

To note that the forecast 2016/17 year end financial position for services under the remit of this Panel is as follows:

1. A revenue **overspend of £0.693m**, net of the use of and transfer to earmarked reserves and implementation of action plans.
2. A capital **carry forward request of £3.39m**, due to re-profiling of spend of two large projects into 2017/18.

**Background papers**

Various financial working papers  
Revenue and Capital Outturn 2015/16 (Pre-Audit)  
Corporate Budget Plan and Treasury Management and Investment Strategy 2016/17.



**Signed:**

**Executive Director for Economy  
and Environment:** Simon Neilson

**Date:** 24 August 2016

**Chief Finance Officer:**  
James Walsh

**Date:** 24 August 2016

## **Resource and legal considerations**

The council is required to set a balanced budget and requires services to operate within their approved budget allocation. Any variances are required to be managed as far as is reasonably possible. The revenue and capital financial monitoring is reported quarterly to overview and scrutiny committees along with corrective action plans when variances arise. All accounting entries are undertaken in line with the required corporate and statutory accounting guidance and standards.

## **Citizen impact**

Resource allocation is aligned with service activity and is undertaken in accordance with the council's corporate plan priorities.

## **Environmental impact**

Services within the remit of this overview and scrutiny committee have a direct influence and impact on the environment.

## **Performance management**

Financial performance is considered alongside service targets. Managers are required to deliver their service targets within budget, wherever possible. Corrective action plans were put in place to mitigate overspends where possible, with any remaining variances against budget identified in the report. Work continues to bring the outturn in line with the budget.

## **Equality Implications**

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil its equal opportunities obligations.

## **Consultation**

Consultation was undertaken as part of the budget setting process and throughout the financial year on the financial position and reporting thereof.

## **Contact Officers:**

Chris Knowles, Services Finance Manager,  
☎ 01922 650392, ✉ [chris.knowles@walsall.gov.uk](mailto:chris.knowles@walsall.gov.uk)

Kelly Valente, Lead Accountant  
☎ 01922 650826, ✉ [valentek@walsall.gov.uk](mailto:valentek@walsall.gov.uk)

## **1 Forecast Revenue Outturn 2016/17**

- 1.1 The forecast revenue outturn for 2016/17 for the services under the remit of the Corporate and Public Services Overview and Scrutiny Committee is an overspend of **£0.693m**, net of the use of earmarked reserves. The predicted revenue outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year end forecast and achievement of approved savings.

The financial position was reported to Cabinet on 27 July 2016, but since this date the following changes to the forecast have been made, which have been reflected in this report:

1. Clean & Green: Changed from a £312k overspend to a £67k underspend, caused primarily by final gate and tonnage figures being provided from our partners for the W2R scheme for 2015/16 being a resultant payment to the Council rather than the expected payment to our partners that had been accrued for at year end.
2. Planning, Engineering & Transportation was reported as being break even in, but is now reporting an overspend of £100k due to a forecast shortfall in planning income.
3. The overspend in Integrated Facilities Management was reported as £1.333m. This has been revised to £1.364m as savings from energy efficiencies will be lower than previously thought.
4. The position for Money Home Job has been revised from an overspend of £500k to an underspend of £350k due to an improved housing benefit subsidy forecast and staff vacancies. The service is now expecting to recover more of our housing benefit expenditure from the Department of Work and Pensions (DWP).

- 1.2 **Table 1** (on page 4) shows the forecast outturn for each service. Note that the service headings have changed since the 2015/16 final position (pre-audit) scrutiny report due to a restructure as follows:

- Strategic Regeneration as reported in 2015/16 is now named 'Programme Management'.
- Development & Delivery as reported in 2015/16 is now named 'Regeneration & Development'.
- Leisure & Community Health and Libraries, Heritage and Arts as reported in 2015/16 merged and is now named 'Leisure, Culture & Operations'.
- Neighbourhoods Services Management (previously within Clean & Green) merged with Regeneration Management, and was renamed 'Economy & Environment Management'.

**Table 1 - Forecast Revenue outturn 2016/17**

<b>Service</b>	<b>Annual Budget £k</b>	<b>Year End Forecast £k</b>	<b>Year End Variance £k</b>	<b>Net (use of) / transfer to Reserves £k</b>	<b>Action plan £k</b>	<b>Variance net of reserves (under)/ overspend £k</b>
Clean & Green Services	17,739	17,948	209	(276)	0	(67)
Communities & Partnerships	1,582	2,080	497	(464)	0	33
Democratic Services	1,412	1,426	14	0	0	14
Economy & Environment Management	(250)	(245)	5	(5)	0	0
Electoral Services	492	486	(6)	0	0	(6)
Finance	3,924	3,998	74	(30)	0	44
Human Resources	2,837	2,846	9	(10)	0	(1)
Information, Communication and Technologies	4,622	4,644	22	(218)	0	(195)
Integrated Facilities Management	3,967	5,582	1,614	0	(250)	1,364
Internal Audit	273	273	0	0	0	0
Legal	1,589	1,595	6	0	0	6
Leisure, Culture & Operations	5,708	5,503	(205)	(111)	0	(316)
Money Home Job	6,721	8,069	1,349	(979)	(719)	(350)
Planning, Engineering & Transportation	9,095	8,219	(876)	975	0	100
Procurement	438	438	0	0	0	0
Programme Management	877	2,234	1,356	(1,356)	0	0
Regeneration & Development	804	1,693	889	(823)	0	66
Smarter Workplaces	245	592	347	(347)	0	0
	<b>62,076</b>	<b>67,381</b>	<b>5,304</b>	<b>(3,643)</b>	<b>(969)</b>	<b>693</b>

1.3 The predicted outturn includes use of reserves of **£4.72m** (where approval has been given by Cabinet for additional funds for specific services) and requests for transfer to reserves of **£1.08m** (including transfer of windfall income of £3k). A breakdown of reserves is detailed in **Appendix 1**.

1.4 The following provides an analysis of the primary reasons for the forecast material variances;

- Clean and Green – Street Cleansing and Grounds Maintenance savings in salary costs offset by agency costs, net of expected shortfall of fleet income.

- Information, Communication and Technologies – delays in recruitment to vacant posts.
- Integrated Facilities Management – shortfall in design fees and overspends on centralised maintenance.
- Leisure, Culture & Operations - Underspends on library staff
- Money Home Job – Costs of supporting vulnerable clients with their housing have been fully mitigated via use of reserves and action plan items.
- Planning, Engineering & Transportation – shortfall in planning income

**Appendix 2** provides a detailed breakdown by service area of reasons for variances.

Where overspends are predicted, managers are required to identify remedial action that can be made within the service, and to report as part of an action plan. Action plans are in place for the following service areas:

- Money Home Job (£719k) to improve collection of housing benefits overpayments, release discretionary housing budgets and increased court cost income.
- Integrated Facilities Management (£250k) to increase efficiency in energy usage and reduce maintenance expenditure.

1.5 **Appendix 3** details the risks associated with this forecast and the total financial exposure to risk has been calculated as **£1.7m**. Risks are items that are uncertain at present and therefore not included in the overall forecast. If circumstances change and any of these risks become probable, it will then form part of the overall forecast, and actions will need to be identified and implemented to offset any resulting pressure.

1.6 Included within the approved budget for 2016/17 are £6.33m of approved savings relating to services within the remit of this committee (details are available in the corporate budget book). An update on the achievement of 2016/17 approved savings is reported monthly to CMT as part of the corporate performance report. Any savings that are not forecast to be achieved in year are required to have alternative savings identified and are managed closely through the relevant service management teams and in liaison with the relevant portfolio holder.

Savings of £318k have been identified as not being achievable, as follows:

- (a) Cease operation of the creative development team unless it can become self sustaining by 2017/18 (£16k)
- (b) Management restructure within Economy & Environment (£159k)
- (c) Integrated Facilities Management (IFM) - Review of structure (£143k)

Alternative savings have been identified for the first two items and plans are being developed to address the IFM saving.

## **2 Capital Outturn 2016/17**

2.1 The forecast capital outturn for 2016/17 for the schemes under the remit of this panel (as at the end of May 2016) is a capital **carry forward request of £3.39m**, mainly due to re-profiling of spend of Walsall Markets and York's Bridge projects into 2017/18. The position is summarised on **table 2** (page 6).

Table 2 - Forecast Capital Outturn 2016/17

Service	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward	Over/ (Under) spend
	£k	£k	£k	£k	£k
<b><u>Council funded</u></b>					
<b>Clean &amp; Green Services</b>					
Additional bins (RCCO)	653	0	653	0	0
Allotment & community garden strategy - Borneo Street	71	0	71	0	0
Fryers Road Sprinkler System	268	0	268	0	0
Jerome K Jerome Statue	8	0	8	0	0
Leamore Park additional funding	6	0	6	0	0
Mayrise System Mobile Working	40	0	40	0	0
Rushall skatepark (RCCO)	16	0	16	0	0
Replacement of wooden Trim Trail at King George V playing fields	23	0	23	0	0
Walsall Arboretum Car Park	434	0	434	0	0
Walsall Arboretum Restoration Programme - illuminated Park proposals	8	0	8	0	0
Walsall Green Pathways (RCCO)	9	9	9	0	0
Willenhall Memorial Park	23	0	23	0	0
<b>Communities &amp; Partnerships</b>					
Improving Security in Local Partnerships	4	0	4	0	0
<b>Finance</b>					
Uninsured Property Damage	22	22	22	0	0
Finance Direct / Oracle	20	(2)	20	0	0
<b>Human Resources</b>					
HR Itrent upgrades (RCCO)	3	3	3	0	0
<b>Information, Communication and Technologies</b>					
Bring your own device security layers	51	0	51	0	0
Council wide IT planned rolling replacement and upgrade	83	0	83	0	0
Data backup system replacement	220	0	220	0	0
Data Centre Power Backup	310	0	310	0	0
Essential upgrade to Blackberry Server	12	0	12	0	0
Essential upgrade of Windows	77	0	77	0	0
ICT essential software licence charges	9	0	9	0	0
Money home job core IT system (RCCO)	52	0	52	0	0
Replenish smarter workplaces capital pot	18	0	18	0	0
Customer facing services being accessed by citizens	53	0	53	0	0
<b>Integrated Facilities Management</b>					
Asbestos Removal	68	(4)	68	0	0
Council Building Information Modelling	272	0	272	0	0
Data centre air conditioning (RCCO)	130	0	130	0	0
Planned property maintenance	218	6	218	0	0
Replace heating & ventilation system within First Stop Shop	50	0	50	0	0
Replace heating & ventilation system within link block	50	0	50	0	0

Service	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward	Over/ (Under) spend
	£k	£k	£k	£k	£k
Safe water supplies	120	(14)	120	0	0
Solar PV panels	158	8	158	0	0
Statutory Testing	131	22	131	0	0
Civic Centre essential maintenance	149	0	149	0	0
Fire risk assessment	87	13	87	0	0
Improving the customer experience when visiting the Council House	350	0	350	0	0
<b>Leisure, Culture &amp; Operations</b>					
Active Living - Bloxwich (PWLb)	514	267	514	0	0
Active Living - Oak Park (PWLb)	1,367	355	1,367	0	0
Bentley Community Facility	20	0	5	(15)	0
Forest Arts Centre (renovation of sports hall)	0	30	0	0	0
Gala baths refurbishment	388	0	388	0	0
Headstone safety in Cemeteries (RCCO)	30	9	30	0	0
Leisure Management System	51	0	51	0	0
Libraries Universal Digital Offer	66	0	66	0	0
Open Plus in Libraries	409	0	409	0	0
Pelsall Village (RCCO)	0	(55)	0	0	0
Single Library Management System	107	0	107	0	0
The New Art Gallery Walsall	0	(6)	0	0	0
<b>Money Home Job</b>					
Aids and adaptations	775	59	775	0	0
Health through warmth and related Retro Fit schemes	387	4	387	0	0
<b>Planning, Engineering &amp; Transportation</b>					
Black Country Route Highway Safety Barrier	170	0	170	0	0
Caldmore Road one way scheme	91	0	91	0	0
Challenge funding (RCCO)	198	0	198	0	0
Hatherton Road Car Park	80	0	80	0	0
Highways maintenance	3,097	691	3,097	0	0
Migration of Urban Traffic control analogue network	125	0	125	0	0
Public Lighting invest to save LED (RCCO)	57	0	57	0	0
Replace development management, building control & land charge ICT system	30	0	30	0	0
Replacement of obsolete traffic signal control equipment	150	0	150	0	0
Traffic signals infrastructure conversion LED signal operation (RCCO)	0	1	0	0	0
Walsall TCTP ring road acquisition	6	0	6	0	0
<b>Programme Management</b>					
M6 Junction 10	650	0	650	0	0
<b>Regeneration &amp; Development</b>					
Primark & Co-op development	21	(83)	21	0	0
New Homes Bonus	277	1	277	0	0
Regenerating Walsall	258	0	258	0	0
Rushall Olympic Football Club	7	0	7	0	0
Shop maintenance	17	0	17	0	0
Walsall Market	1,907	0	500	(1,407)	0



Service	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward	Over/ (Under) spend
	£k	£k	£k	£k	£k
<b>Smarter Workplaces</b>					
Property (prudential)	530	0	530	0	0
ICT	307	0	307	0	0
<b>Total Council Funded</b>	<b>16,367</b>	<b>1,336</b>	<b>14,944</b>	<b>(1,423)</b>	<b>0</b>
<b>Externally Funded</b>					
<b>Clean &amp; Green Services</b>					
Allotment Improvement Programme External	25	0	25	0	0
Jerome K Jerome Statue	2	2	2	0	0
Palfrey Park	7	0	7	0	0
Pocket Parks Chuckery Green	21	17	21	0	0
Pocket Parks Edible Garden	11	11	11	0	0
Reedwood Park	37	25	37	0	0
Rushall skatepark	111	101	111	0	0
Walsall arboretum restoration programme (PRU)	425	0	425	0	0
Waste infrastructure capital grant	227	0	227	0	0
<b>Leisure, Culture &amp; Operations</b>					
Active Living Bloxwich (Grant)	538	0	538	0	0
Active Living Oak Park (Grant)	1,112	0	1,112	0	0
Forest Arts Centre (Hall conversion -Arts Council)	9	(18)	9	0	0
Pelsall Village Centre	0	(8)	0	0	0
The New Art Gallery Walsall (Grant)	63	0	63	0	0
<b>Money Home Job</b>					
Contribution Aids and Adaptations	10	(81)	10	0	0
Disabled facilities grant	2,145	411	2,145	0	0
Off Gas Scheme	650	0	650	0	0
<b>Planning, Engineering &amp; Transportation</b>					
Capital Block DFT Fund	2,239	361	2,239	0	0
Challenge funding	1,599	0	1,599	0	0
Development of Highways Asset Management Plan (HAMPS)	61	18	61	0	0
Low emission Strategy	1	0	1	0	0
LTP including bridge strengthening 2010/11	244	0	244	0	0
LTP Yorks Bridge	1,965	0	0	(1,965)	0
Managing Short Trips	140	140	140	0	0
Mill Lane Road Safety	2	0	2	0	0
Pedestrian Crossing on Northgate	19	0	19	0	0
<b>Programme Management</b>					
Accessing Growth	0	0	0	0	0
Darlaston SDA	1,125	455	1,125	0	0
Growth Deal	45,952	(8,991)	45,952	0	0
Growth Deal - LTB	1,325	(1,884)	1,325	0	0
Local Transport Plan (LTP)	1,417	43	1,417	0	0
<b>Regeneration &amp; Development</b>					
Black Country Enterprise Zone	38	0	38	0	0
Gigaport Partner Contribution	41	1	41	(0)	0
Regenerating Walsall - Private Contributions	8	0	8	0	0
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	53	0	53	0	0

Service	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward	Over/ (Under) spend
	£k	£k	£k	£k	£k
<b>Smarter Workplaces</b>					
Police move Civic Centre	12	0	12	0	0
<b>Total Externally Funded</b>	<b>61,631</b>	<b>(9,395)</b>	<b>59,666</b>	<b>(1,964)</b>	<b>0</b>
	<b>77,998</b>	<b>(8,059)</b>	<b>74,610</b>	<b>(3,388)</b>	<b>0</b>

Acronyms used above are listed in **Appendix 4**.

## Appendix 1 - Analysis of 2016/17 Earmarked Reserves

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
<b>Clean &amp; Green Services</b>				
Additional potential waste arising for 15/16	266	(266)	0	(266)
Consultancy work related to waste collections	50	0	0	0
IFRS - DEFRA - Stewardship funding	5	0	0	0
IFRS - Section 106	585	0	15	15
IFRS - Transition funding	15	0	0	0
Investment in water recycler for vehicle wash	25	(25)	0	(25)
<b>Communities &amp; Partnerships</b>				
Anti social behaviour	10	(10)	0	(10)
Area Partnerships NHS projects	38	0	0	0
Area Partnerships Performance reward grant	59	0	0	0
Area Partnerships Performance reward grant Funding	114	0	0	0
Area Partnerships Ryecroft Hub	10	0	0	0
Area Partnerships Six area partnership funding	203	(203)	0	(203)
Area Partnerships Strategic Resource	65	(22)	0	(22)
Borough Analyst CS Grant	11	(11)	0	(11)
Business Crime Initiative	25	(25)	0	(25)
Community Development Links	5	0	0	0
Community Safety	1	0	0	0
Community Safety contingency	6	0	0	0
Communities projects carried forward to 2016/17	15	0	0	0
Community Safety West Midlands Sexual Assault Referral Centre	15	0	0	0
Domestic Abuse Co-ordinator	6	0	0	0
Domestic Homicide Review	19	(19)	0	(19)
Funding projects in Moxley	7	(7)	0	(7)
No Cold Caller Initiative	12	0	0	0
Preventing violent extremism	124	(124)	0	(124)
To Fund Area Partnerships	43	(43)	0	(43)
Training for community associations	8	0	0	0
Voluntary sector commissioning	16	0	0	0
<b>Economy &amp; Environment Management</b>				
Economic Growth Programme	5	(5)	0	(5)
IFRS - Transition funding	13	0	0	0
LGF pipeline pot (previously BC transport director)	43	0	0	0
<b>Finance</b>				
Equal pay	18	0	0	0
Finance Direct	30	(30)	0	(30)
Finance Direct Restructure	47	0	0	0

Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
	£k	£k	£k	£k
Risk Management	46	0	0	0
<b>Human Resources</b>				
HR staffing	10	(10)	0	(10)
Recruitability Scheme	29	0	0	0
Upgrade of HR system	78	0	0	0
<b>Information, Communication &amp; Technologies</b>				
Funding of workstreams to deliver essential capital projects	203	(203)	0	(203)
Information Management Project	60	(2)	0	(2)
Redundancy costs linked to savings	12	(12)	0	(12)
Revenue implications of various capital schemes	52	0	0	0
Working Smarter	227	0	0	0
<b>Internal Audit</b>				
Use of temporary staff and computer audit costs	11	0	0	0
Web based portal	13	0	0	0
<b>Legal</b>				
Children's Improvement Plan	12	0	0	0
Fund additional 2 months staff salary	43	0	0	0
<b>Leisure, Culture &amp; Operations</b>				
Building Control Fee (ring fenced)	47	(15)	0	(15)
Consultant review service	10	(10)	0	(10)
IFRS - Arts Council England - dilapidations	36	0	0	0
IFRS - Arts Council England 11/12	115	0	0	0
IFRS - Arts Council England 12/13 - Regular Grant	112	0	0	0
IFRS - Bookstart	5	0	0	0
IFRS - British Council Residency	1	0	0	0
IFRS - Doorstep Sports Club	6	0	0	0
IFRS - Environmental Levy	569	0	0	0
IFRS - Exclusive Burial Rights Levy	97	(30)	21	(9)
IFRS - Marketing Promotion Sport England 11/12 & 12/13	33	0	0	0
IFRS - NAG - ABC (Audience Black Country) Membership -	3	0	0	0
IFRS - NAG - Science Project	1	0	0	0
IFRS - NVQ Assessor	1	0	0	0
IFRS - Paul Hamlyn Foundation/Right to Read	4	0	0	0
IFRS - Walk On	11	0	0	0
IFRS - Way Forward Project	4	0	0	0
Inspired Generations (CSAF)	42	(42)	0	(42)
Queen's Birthday Celebrations	3	(3)	0	(3)
Rates rebate	86	0	0	0
Storage	6	(6)	0	(6)
Tate project	1	0	0	0

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
Transfer of windfall income	0	0	3	3
Willenhall Lawn Cemetery feasibility	30	(30)	0	(30)
<b>Money Home Job</b>				
Additional resources	250	(250)	0	(250)
Benefits - clawback of subsidy income	425	0	0	0
Crisis Support Scheme	1,109	(572)	0	(572)
Fuel Poverty Grant	13	0	0	0
Housing improvement projects	88	0	0	0
Improve security at Rivers House	88	(80)	0	(80)
Preventing homelessness	587	0	0	0
Private housing & health safety	74	0	0	0
Repossession grant	154	(22)	0	(22)
Social care worker for exempt accommodation	55	(55)	0	(55)
Warm Homes	51	0	0	0
<b>Planning, Engineering &amp; Transportation</b>				
Bus Lane enforcement	262	0	0	0
Commuted sum Shannon's Mill	48	0	0	0
Mediation Reserve - legal fees Waverley Mast	68	0	0	0
IFRS - ABG - Sustainable school travel advisors	61	0	0	0
IFRS - DFT - Road safety grant	39	0	0	0
IFRS - Walsall PCT - Active school travel project (A stars)	50	0	0	0
IFRS - DFT - Bikeability 2010	16	0	0	0
IFRS - DFT - Bikeability grant	8	0	0	0
IFRS - DFT - Bikeability 2010	29	0	0	0
IFRS - DFT Bikeability grant 2011/12	36	0	0	0
IFRS - DFT Bikeability grant 2012/13	19	0	0	0
IFRS - DFT Bikeability grant 2013/14	16	0	0	0
IFRS - DFT Bikeability grant 2014/15	38	0	0	0
IFRS - DFT Bikeability grant 2015/16	37	0	0	0
IFRS - Driver Improvement (Dudley Council)	15	0	0	0
IFRS - Local Road Safety 2015/16	35	0	0	0
IFRS - Midlands Air Quality funds (B'ham CC) 2013/14	9	0	0	0
IFRS - Midlands Air Quality funds (B'ham CC) 2012/13	30	0	0	0
IFRS - Post 16 Travel 2013/14 (Children's Services)	22	0	0	0
IFRS - S106 planning	244	0	0	0
IFRS - School Strategy 2015/16 (Children's Services)	25	0	0	0
IFRS - School Strategy 2012/13 (Children's Services)	16	0	0	0
IFRS - Sustainable Drainage Grant	73	0	0	0
Street lighting PFI	18,543	0	1,037	1,037

Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
	£k	£k	£k	£k
Willenhall Gas Works	62	(62)	0	(62)
<b>Procurement</b>				
Contract review	54	0	0	0
<b>Programme Management</b>				
City Deal loans	2,500	(1,145)	0	(1,145)
Economic Growth Programme	2,448	(37)	0	(37)
ERDF TA Walsall contribution	9	0	0	0
Growth Hub	10	0	0	0
IFRS - City Deal - Welfare Pilot	2,018	0	0	0
IFRS - LEP-Core funding	146	0	0	0
IFRS - LEP-Hestletine funding	202	0	0	0
LGF Interest	267	0	0	0
Strategic Regeneration - SEED/GOLD	33	0	0	0
Walsall Works	564	(175)	0	(175)
<b>Regeneration &amp; Development</b>				
Asset Management system	48	0	0	0
BCBPIP Revenue	30	0	0	0
Black Country core strategy	74	(0)	0	(0)
Economic Growth Programme	0	(142)	0	(142)
Enterprise Zones - professional fees	698	(287)	0	(287)
IFRS - Contribution for participation in Pilot Scheme	9	0	0	0
IFRS - Dev & Del grant S106	69	0	0	0
IFRS - Town Team Partners	5	0	0	0
IFRS - Salary cost	44	0	0	0
High St Innovation	27	0	0	0
New Homes Bonus (Housing loans etc)	36	0	0	0
Phoenix 10 - professional fees	145	(126)	0	(126)
Pleck Boxing Club	87	0	0	0
Old Square Development	20	(30)	0	(30)
Uncapitalised expenditure	260	(237)	0	(237)
<b>Smarter Workplaces</b>	0	-	0	0
Smarter Workplaces	347	(347)	0	(347)
<b>TOTAL</b>	<b>36,780</b>	<b>(4,719)</b>	<b>1,076</b>	<b>(3,643)</b>

## Appendix 2 – Explanation of 2016/17 forecast Revenue Variations by Service

Service	Reason / explanation for variance	Variance
		£k
Clean and Green Services	Street Cleansing and Grounds Maintenance savings in salary costs offset by agency costs (£112k), net of expected shortfall of fleet income based upon the number of times taxis are tested for licensing purposes (£37k).	(67)
Communities & Partnership	Mainly overspends on area panels (£14k) and temporary staff (£9k).	33
Democratic Services	Additional staffing costs in constitutional services following 16/17 savings	14
Electoral Services	Surplus grant income	(6)
Finance	Use of temporary staff	44
Information, Communication and Technologies	Delay in recruitment to vacant posts offset by temporary staff costs	(195)
Integrated Facilities Management	Shortfall on building and design fees £1m, overspend on centralised maintenance £496k and increased contract management fees £283k. Offset by (£300k) reduced energy costs, food costs (£50k) and underspend in centralised rents (£50k).	1,364
Legal	Salary overspends	6
Leisure Culture & Operations	Underspends on vacant posts, mainly within libraries (£322k), offset by Creative Development income shortfall (£33k).	(316)
Money Home Job	Costs of supporting vulnerable clients with their housing have been fully mitigated via use of reserves and action plan items. Vacant posts and additional grants lead to a £350k underspend	(350)
Planning, Engineering & Transportation	Shortfall in planning income	100
Regeneration & Development	Markets income shortfall (£81k) offset by salaries due to part year vacant post (£18k)	66
<b>TOTAL VARIANCE</b>		<b>693</b>

### Appendix 3 - Risks

Service Area	Potential Risks	Highest Cost £k	Total Estimated Exposure £k
	<b>Low Risks</b>		
Clean and Green Services	Damage to waste to resource plant	840	168
Clean and Green Services	Increased risk of insurance claims due to lower maintenance of trees	25	5
Integrated Facilities Management	Energy cost forecasts are based on 2015/16 but risk that this performance may not reoccur in 2016/17 due to changing weather conditions which may lead to higher energy usage.	400	80
	<b>Total Low Risks</b>	<b>1,265</b>	<b>253</b>
	<b>Medium Risks</b>		
Clean and Green Services	Possible loss of income	110	44
Integrated Facilities Management	Risk of challenge from schools over level of management fee, and schools deciding not to use IFM services, including catering service, due to perceived high costs.	578	231
Integrated Facilities Management	Review of Maintenance Framework - may not produce required efficiencies and delays could result in increased costs.	500	200
Leisure, Culture & Operations	Impact of a pandemic flu outbreak	30	12
Leisure, Culture & Operations	Creative Development Team - Inability to achieve income target due to reduced staffing capacity to deliver commissions and projects.	30	12
Leisure, Culture & Operations	Libraries - potential delays to achievement of planned closure savings or costs associated with alternative options	479	192
Leisure, Culture & Operations	Libraries - Inability to achieve income target through the reduction in the number of libraries from 16 to 9 and the change in charges from joining a Black Country Library Management System.	5	2
Leisure, Culture & Operations	Local History Centre - Inability to achieve income target through the reduction in hours open to the public	5	2
Planning, Engineering & Transportation	Engineering - shortfall in car parking income from reduced usage or loss of car parks	50	20
Planning, Engineering & Transportation	Engineering - additional road maintenance / gulley cleaning required	125	50
Planning, Engineering & Transportation	Potential additional legal fees if Willenhall Gas Works case is found against the Council	500	200
	<b>Total Medium Risks</b>	<b>2,412</b>	<b>965</b>



Service Area	Potential Risks	Highest Cost	Total Estimated Exposure
		£k	£k
	<b>High Risks</b>		
Clean and Green Services	Increase in waste arisen, or non diversion of waste	300	180
Clean and Green Services	Increased contamination of co mingled waste and fluctuating gate fees from new recycling disposal contract	135	81
Planning, Engineering & Transportation	Engineering - impact of a severe winter requiring additional work and gritting	100	60
Planning, Engineering & Transportation	Legal fees from Willenhall Gasworks Case	60	36
Planning, Engineering & Transportation	Shortfall of planning application fee income	100	60
Planning, Engineering & Transportation	Shortfall of Land Charges fee income	70	42
Regeneration & Development	Shortfall of Markets income	60	36
	<b>Total High Risks</b>	<b>825</b>	<b>495</b>
	<b>Total</b>	<b>4,502</b>	<b>1,713</b>

## Appendix 4 – Acronyms

Acronym	Description
ABG	Area Based grant
BC	Black Country
BCBPIP	Black Country Business Property Investment Programme
CSAF	Community Sport Activation Fund
CS	Community Support
DEFRA	Department for Environment Food & Rural Affairs
DFT	Department for Transport
ERDF	European Regional Development Fund
GOLD	Growth Opportunities: Local Delivery
HR	Human Resources
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standard
LED	Light Emitting Diode
LEP	Local Enterprise Partnership
LGF	Local Growth Fund
LTP	Local Transport Plan
NAG	New Art Gallery
NVQ	National Vocational Qualification
PCC	Police and Crime Commissioner
PCT	Primary Care Trust
PFI	Private Finance Initiative
PRU	Prudential
PWLB	Public Works Loan Board
PV	Photovoltaic
RCCO	Revenue Contribution to Capital Outlay
SEED	Supporting Employment & Enterprise Development
TA	Technical Assistance
TCTP	Town Centre Transport Planning
W2R	Waste to Resources