

**REGENERATION  
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item No. 10**

**DATE:** 5 September 2013

**QUARTER 1 FINANCIAL MONITORING POSITION FOR 2013/14**

**Ward(s)** All

**Portfolio:**

Councillor Andrew – Regeneration

**Summary of report**

This report summarises the predicted revenue and capital position for the financial year 2013/14. This is based on the performance of Quarter 1 (April-June 2013) for services within the remit of the Regeneration Scrutiny and Performance Panel.

**Recommendation**

To note that the forecast 2013/14 financial position for services under the remit of the Regeneration Scrutiny and Performance Panel is a revenue variance (under spend) against budget of **£0.117m** (net of the use of earmarked reserves), and a break-even capital position.

**Background papers**

Various financial working papers  
2013/14 Budget Book on Council's Internet and Intranet

**Reason for scrutiny**

To inform the panel of the forecasted financial position for 2013/14 within the remit of this panel.

**Signed:**



**Chief Finance Officer:** James T Walsh



**Executive Director:** Simon Neilson

**Date:**

**Date:** 27/08/13

**Resource and legal considerations**

Services are required to manage their services within budget. Variances from budget may arise for a number of reasons, including national economic and local factors. Further detail is provided within this report. Any corporate overspend will require replenishment in the 2014/15 budget.

**Citizen impact**

The budget is aligned with service activity within service plans within the directorate. Investment has been targeted at service improvement, stability and user demand.

**Environmental impact**

Services within the remit of this panel 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. Variances against budget are identified in the report.

**Equality Implications**


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

**Consultation**

Senior managers within the services have been consulted and have signed off the forecast as accurate.

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## **1 Forecast Revenue Outturn 2013/14 – Regeneration Directorate**

- 1.1 The forecast revenue outturn for 2013/14 for the services under the remit of the Regeneration Scrutiny and Performance Panel is an under spend against budget of **£0.117m** (net of the use of earmarked reserves). The outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year-end forecast and achievement of approved savings.
- 1.2 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/overspends. Where overspends are predicted, managers are tasked to identify remedial action that can be made within the service and to report as part of a directorate action plan. All options will continue to be explored throughout the financial year so as to minimise any forecast overspends within the service and to manage additional risks as they arise.
- 1.3 The forecast includes use of reserves of **£2.365m** where approval was given by Cabinet for additional funds for specific services, and also transfers to reserves of **£0.032m**.
- 1.4 **Table 1** below provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.
- 1.5 Within the services associated with the panel there are a number of risks around uncontrollable demand which is estimated at **£0.517m**. At this stage the risks are not certainties and as such are not included in the monitoring as overspends. If the risks become certainties then alternative action will need to be identified. A summary of the risk assessment is attached as **Appendix 2**.
- 1.6 The budget for 2013/14 included approved savings of **£1.489m**, of which £1.016m has been achieved. A full breakdown of investment and savings can be found in the 2013/14 budget book. Where savings are not able to be achieved in full in the year, directorate management teams are required to identify and manage alternative savings in liaison with the relevant portfolio holder.

**Table 1– Forecast Revenue Outturn 2013/14**

	<b>Annual Budget</b>	<b>Profiled Budget</b>	<b>Year to Date Actual</b>	<b>Profiled Variance</b>	<b>Final Outturn</b>	<b>Year End Variance</b>	<b>Use of Reserves</b>	<b>Transfer to Reserves</b>	<b>Adjusted Variance</b>
<b>Service Area</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Development & Delivery	727,804	212,766	205,539	(7,227)	1,051,379	323,575	(444,597)	3,780	<b>(117,242)</b>
Planning & Building Control	535,302	144,879	739,990	595,111	1,371,453	836,151	(838,742)	2,591	<b>0</b>
Property Services	3,479,441	869,855	2,334,596	1,464,741	3,905,132	425,691	(451,575)	25,884	<b>0</b>
Regeneration Management	444,297	111,075	223,143	112,068	444,296	(1)	0	0	<b>(1)</b>
Smarter Workplaces	123,986	30,996	58,568	27,572	342,957	218,971	(218,971)	0	<b>0</b>
Strategic Regeneration	551,666	138,368	266,636	128,268	962,631	410,965	(410,966)	0	<b>(1)</b>
<b>TOTAL REGENERATION</b>	<b>5,862,496</b>	<b>1,507,939</b>	<b>3,828,472</b>	<b>2,320,533</b>	<b>8,077,848</b>	<b>2,215,352</b>	<b>(2,364,851)</b>	<b>32,255</b>	<b>(117,244)</b>

## Capital Outturn 2013/14 – Regeneration Directorate

- 2.1 The forecast capital outturn for 2013/14 for the schemes under the remit of this panel is currently a break-even position. **Table 2** provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 3**.

<b>Table 2 - Forecast Capital Outturn 2013/14</b>				
<b>Service Area</b>	<b>Total Budget £</b>	<b>Spend To Date £</b>	<b>Year-end Forecast £</b>	<b>Forecast Variance £</b>
<b><u>Mainstream Resources</u></b>				
Property Services	3,493,590	236,566	3,493,590	0
Development & Delivery	1,625,301	403,338	1,625,314	(13)
Smarter Workplaces	1,406,868	105,928	1,406,871	(3)
Strategic Regeneration	1,865,000	33,612	1,865,000	0
<b>Sub Total</b>	<b>8,390,759</b>	<b>779,444</b>	<b>8,390,775</b>	<b>(16)</b>
<b><u>Non Mainstream Resources</u></b>				
Development & Delivery	1,153,750	43,237	1,153,749	1
Strategic Regeneration	15,290,357	463,368	15,290,358	(1)
<b>Sub Total</b>	<b>16,444,107</b>	<b>506,605</b>	<b>16,444,107</b>	<b>0</b>
<b>Total Regeneration</b>	<b>24,834,866</b>	<b>1,286,049</b>	<b>24,834,882</b>	<b>(16)</b>

## Appendix 1 – Analysis of Variances

<b>Appendix 1 – Analysis of Reasons for Variances</b>		
<b>Service</b>	<b>Reason/ Explanation for Variance</b>	<b>Variance</b>
Development & Delivery	Under spend on supplies and services.	(4,122)
Development & Delivery - Markets	Under spends on agency staff, vacancies, overtime and supplies and services.	(113,120)
<b>Total Variance</b>		<b>(117,242)</b>

## Appendix 2 – Financial Risks

<b>POTENTIAL RISK</b>	<b>LOWEST COST</b>	<b>ASSESSMENT OF RISK</b>	<b>HIGHEST COST</b>	<b>ASSESSMENT OF RISK</b>	<b>TOTAL FINANCIAL EXPOSURE TO RISK</b>
	<b>£M</b>		<b>£M</b>		<b>£M</b>
<b>REGENERATION</b>					
Property Services - pressure on cleaning and caretaking contracts with higher salary costs	0	Low	200	Low	40
Property Services - redundant buildings excess costs	0	Low	200	Low	40
Property services - risk of major repairs or maintenance required that cannot be met from existing budget	0	Low	100	Low	20
Property Services - reductions in capital fee income (academies programme ending)	0	Medium	300	Medium	120
Corporate Property Saving - non achievement of council wide saving relating to building exits, reduced property costs etc.	0	Medium	473	Medium	189
Planning - lower fee income due to lower demand	0	Medium	220	Medium	88
Development and Delivery - revenue costs associated with new capital projects	0	Medium	50	Medium	20
<b>Total Regeneration</b>	<b>0</b>	<b>0</b>	<b>1,543</b>	<b>0</b>	<b>517</b>

## Appendix 3 – Capital by scheme

Scheme and service area	Total Budget	Spend to Date	Forecast Spend	Forecast Variance
<b><u>Mainstream Resources</u></b>				
Asbestos Removal	155,000	1,200	155,000	0
Safe water supplies	275,000	53,475	275,000	0
Demolition of redundant buildings to save on rates	204,369	2,987	204,369	0
Fire risk assessment	207,453	10,832	207,453	0
Freer Street structural works	57,579	3,350	57,579	0
Planned property maintenance	500,000	41,985	500,000	(0)
Shop maintenance	185,979	31,859	185,979	0
Statutory Testing	300,000	90,878	300,000	(0)
Green Rivers	96,202	0	96,202	0
Civic Centre essential maintenance	566,306	0	566,306	0
Walsall Council House	945,702	0	945,702	0
<b>Property services</b>	<b>3,493,590</b>	<b>236,566</b>	<b>3,493,590</b>	<b>0</b>
Regenerating Walsall	724,690	(325)	724,690	0
New Homes Bonus	320,000	320,013	320,013	(13)
Enabling works to Office development (Gigaport)	580,611	83,650	580,611	0
<b>Development &amp; Delivery</b>	<b>1,625,301</b>	<b>403,338</b>	<b>1,625,314</b>	<b>(13)</b>
Smarter Workplaces - Programme Manager	175,579	37,173	175,581	(2)
Smarter Workplaces - Workplace Solutions	378,057	1,180	378,057	(0)
Smarter Workplaces ICT	306,645	66,546	306,645	0
Smarter Workplaces - Property (Prudential)	546,587	1,028	546,587	0
<b>Smarter Workplaces</b>	<b>1,406,868</b>	<b>105,928</b>	<b>1,406,871</b>	<b>(3)</b>
Darlaston SDA	1,865,000	33,612	1,865,000	0
<b>Strategic Regeneration</b>	<b>1,865,000</b>	<b>33,612</b>	<b>1,865,000</b>	<b>0</b>
	<b>8,390,759</b>	<b>779,444</b>	<b>8,390,775</b>	<b>(16)</b>
<b><u>Non Mainstream Resources</u></b>				
Darlaston SDA - Moxley & Whitworth Close	9,692	0	9,692	0
Willenhall THI – Heritage Lottery Fund	791,296	21,619	791,296	0
Willenhall THI – VIEW	352,762	21,619	352,762	0
<b>Development &amp; Delivery</b>	<b>1,153,750</b>	<b>43,237</b>	<b>1,153,749</b>	<b>1</b>
Darlaston SDA (Pre-works)	258,610	282,537	258,610	(0)
Darlaston Strategic Development Area Access	13,431,561	0	13,431,561	0
Local Sustainable Transport Fund	434,428	113,327	434,428	0
Local Transport Plan	1,165,758	67,503	1,165,758	(0)
<b>Strategic Regeneration</b>	<b>15,290,357</b>	<b>463,368</b>	<b>15,290,358</b>	<b>(1)</b>
	<b>16,444,107</b>	<b>506,605</b>	<b>16,444,107</b>	<b>0</b>
<b>Total</b>	<b>24,834,866</b>	<b>1,286,049</b>	<b>24,834,882</b>	<b>(16)</b>

THI – Townscape Heritage Initiative  
SDA – Strategic Development Area  
VIEW - Visionary Investment Enhancing Walsall