

**COMMUNITY SERVICES & ENVIRONMENT
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No. 5**

DATE: 18 FEBRUARY 2014

QUARTER 3 FINANCIAL MONITORING POSITION FOR 2013/14

Ward(s) All

Portfolio:

Councillor Z Ali – Public Protection
Councillor A Andrew – Regeneration and Transport
Councillor A Harris – Leisure & Culture
Councillor I Shires – Community Engagement and Voluntary Sector
Councillor Arif - Environment

Summary of report

This report summarises the predicted revenue and capital position for 2013/14, based on the performance for quarter 3 (1 October to 31 December 2013), for services within the remit of the Community Services & Environment Scrutiny and Performance Panel.

Recommendation

To note the 2013/14 forecasted year end financial position for services under the remit of the Community Services & Environment Scrutiny and Performance Panel is net revenue overspend of **£238k**, after the use of approved reserves and carry forwards. The capital forecast is for an in year variance of **£6.664m** which mostly will be requested to be carried forward into 2014/15.

Background papers

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

Reason for scrutiny

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

Signed:



Chief Finance Officer: James T Walsh
Date: 30 January 2014



Executive Director: Jamie Morris
Date: 5 February 2014

Resource and legal considerations

Services are required to manage their services within budget. Overspends may arise for a number of reasons, including national economic and local factors. Further detail is provided within this report.

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 are in place to mitigate overspends within service. 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

- 1.1 The forecast revenue outturn for 2013/14 for the services under the remit of the Community Services & Environment Scrutiny and Performance Panel (based on the position as at the end of December 2013) is an overspend against budget of **£238k** (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 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 service, and to manage additional risks as they arise.
- 1.3 The predicted outturn includes use of reserves (these are being used in line with the specific approvals granted by cabinet) and approved carry forwards from previous years totalling **£2.444m** and a year end transfer to reserves of **£2.054m**.
- 1.4 **Table 1** shows the forecast outturn for each service, with **Appendix 1** giving detailed reasons for the forecast overspend. The main variance at this present time is due to underachievement of car parking income.
- 1.5 Within the services associated with the panel there are a number of potential risks totalling **£927k**. At this stage the risks are not certainties and as such are not included in the monitoring as under or overspend. If the risks become certainties then alternative action will need to be identified or included in the position as overspends. A summary of the risk assessment is attached as **Appendix 2**.
- 1.6 Included within the budget are approved 2013/14 new savings, as approved by Cabinet on 21 February, totalling £4.1m. A full breakdown of these can be found in the 2013/14 Corporate budget book. Any savings that are not able to be achieved in year are required to have alternative savings identified and are managed closely through the services divisional management teams and in liaison with the relevant portfolio holder.

Table 1 – Forecast Revenue Outturn 2013-14

Service Area	Annual Budget £	Profiled Budget £	Year To Date £	Variance £	Year End Forecast £	Year End Variance £	Use of reserves £	Variance after Reserves £
Clean and Green Services	21,266,775	16,099,914	16,658,233	558,319	21,324,463	57,688	-75,355	-17,667
Communities & Partnership	2,179,519	1,635,932	1,713,552	77,620	3,333,388	1,153,869	-1,165,775	-11,906
Engineering & Transportation	11,549,109	8,620,862	7,426,474	-1,194,388	10,631,990	-917,119	1,215,376	298,257
Leisure & Community Health	1,376,139	1,297,601	1,394,555	96,954	1,459,460	83,321	-127,086	-43,765
Libraries Heritage & Arts	6,454,463	4,732,136	4,573,703	-158,433	6,535,002	80,539	-98,809	-18,270
Regulatory Services	2,264,715	1,683,694	1,507,455	-176,239	2,358,221	93,506	-61,912	31,594
WACC & WLLA	199,797	149,778	334,261	184,483	433,033	233,236	-233,236	0
Strategic Transportation	-11,536	-11,363	25,354	36,717	-11,536	0	0	0
Total	45,278,981	34,208,554	33,633,587	-574,967	46,064,020	785,039	-546,797	238,243

2 Forecast Capital Outturn 2013/14

- 2.1 The forecast capital outturn for 2013/14 for the schemes under the remit of this panel (as at the end of September 2013) is a predicted variance (underspend) against budget of **£6.664m**. This relates to costs of these long term projects now due to fall in future financial years so the full variance will be requested to be carried forward into 2014/15 to fund those costs. **Table 2** shows a summary per service with more detailed analysis by scheme at **Appendix 3**.

<u>Table 2 – Summary of Capital Programme - Forecast 2013-14</u>				
Service Area	Annual Budget £	Year To Date £	Year End Forecast £	Variance
Mainstream				
Engineering & Transportation	2,204,004	1,244,073	2,205,234	1,230
Street Pride	2,099,702	2,069,702	2,099,702	0
Leisure & Culture	2,961,438	587,887	1,195,855	-1,765,583
Communities & Partnerships	4,282	0	4,282	0
Total Mainstream	7,269,426	3,901,663	5,505,074	-1,764,352
Non Mainstream				
Engineering & Transportation	3,850,670	1,649,945	2,178,378	-1,672,292
Street Pride	400,523	102,269	375,602	-24,921
Leisure & Culture	4,088,787	265,788	886,614	-3,202,173
Strategic Transportation	1,431,068	748,338	1,431,068	0
Total Non Mainstream	11,202,116	3,514,678	6,302,730	-4,899,386
Total Capital	18,471,542	7,416,340	11,807,803	-6,663,739

APPENDIX 1 - MAIN REASONS FOR REVENUE VARIANCES 2013/14		
Service Area	Detail	£
Clean and Green		
	Various unders and overs across the service. Overspends on waste disposal due to contamination and volume of waste to be disposed of offset by fleet and leasing savings.	(17,667)
Engineering & Transportation		
Engineering & Transportation General	Small variance in employee costs including extra pension contributions	22,014
Traffic Management	Under achievement of car parking income	297,674
	Other small variances	(21,431)
Leisure and community health		
Bereavement Services	Underspends on supplies and employee costs	(16,095)
Catering	Shortfall in income on town hall restaurant and bistro offset by other income	(34,235)
	Other small variances	6,565
Libraries, Heritage & Arts		
Libraries	Vacant post and book savings offset by premises costs.	(25,136)
	Other small variances	6,866
Regulatory Services		
Environmental Health	Legal costs	34,642
	Other small variances	(3,048)
Communities		
Community safety	Employee costs offset by vacant posts.	(11,906)
		238,243

Appendix Two – Potential Risks 2013/14

POTENTIAL RISK	ASSESSMENT OF RISK	ASSESSMENT OF COST £'000
PUBLIC HEALTH & PROTECTION PORTFOLIO		
Regulatory Services - Unknown court costs arising from prosecutions	Low	115
Regulatory Services - Unknown court costs arising from licensing act appeals	Low	150
Regulatory Services - Unknown court costs arising from taxi/private hire appeals	Low	20
Regulatory Services - Incursion of additional unauthorised encampments	Medium	50
Regulatory Services - Increase in the cost of kennelling stray dogs.	Medium	24
Regulatory Services - Increase in the number of stray dogs due to the economic down turn	Low	25
Regulatory Services - Burial costs where there is no known family	High	5
Regulatory Services - Incident(s) of infectious disease either in animal health or human eg e-coli, legionnaires	High	75
Regulatory Services - Unknown court costs relating to employment tribunal	High	40
TOTAL PUBLIC PROTECTION PORTFOLIO		504
LEISURE AND CULTURE PORTFOLIO		
Creative Development Team - Reduction in the number of external commissions resulting in lower income	Low	20
Bereavement Services - Impact of pandemic flu	Medium	30
Clean & Green - Greenspaces - possible action against horses on Council land at £1,500 each	High	25
TOTAL LEISURE AND CULTURE PORTFOLIO		75

TRANSPORT PORTFOLIO		
Engineering - Impact of a severe winter, additional gritting required	Low	150
Engineering - Reduction in usage of car parks or loss of car parks resulting in less income & Xmas implications. Growth in 2013/14 £250k, under recovery 12/13 was £500k	High	50
Engineering - Legal & technical support costs in dealing with former Willenhall Town Gas Works	Medium	100
Engineering - Implications of the Markinson decision relating to charges for information - it may be necessary to repay charges with interest that have been claimed from 2011.	Medium	28
TOTAL TRANSPORT PORTFOLIO		328
ENVIRONMENT PORTFOLIO		
Clean & Green - impact of Bloxwich toilets remaining open	Low	20
TOTAL ENVIRONMENT PORTFOLIO		20
TOTAL		927

Appendix Three – Capital Programme 2013/14

Scheme	Annual Budget	Year To Date	Year End Forecast	Year End Variance	Proposed Carry Forward to 2014/15	Estimated Underspend
	£	£	£	£	£	£
Mainstream						
Environment						
Depot relocation	0	-30,000	0	0	0	0
Vehicles purchased	2,099,702	2,099,702	2,099,702	0	0	0
Engineering and Transportation						
Walsall TCTP ring road acquisition	186,762	30,860	186,762	0	0	0
Beacon Road land slip - contingency	13,855	14,189	15,489	1,634	0	1,634
Highways maintenance	1,450,000	1,056,023	1,450,000	0	0	0
LTP including bridge strengthening 2010/11	54,468	46,308	54,366	-103	0	-103
Retained Housing Land	125,341	35,798	125,341	0	0	0
Lighting to save initiatives	12,257	11,956	11,956	-301	0	-301
Footpath Highfield Road, Pelsall	15,607	0	15,607	0	0	0
Hatherton Road multi storey car park	11,214	1,271	11,214	0	0	0
New Invention car park	80,000	47,390	80,000	0	0	0
Verge Parking	250,000	279	250,000	0	0	0
Silver Street	4,500	0	4,500	0	0	0
Public Protection						
Improving security in local neighbourhoods	4,282	0	4,282	0	0	0
Leisure and Culture						
Allotment and community garden strategy - Borneo Street	50,000	0	7,000	-43,000	-43,000	0
Allotments	71,148	25,207	58,211	-12,937	-12,937	0
Arboretum Play Area	175,000	170,523	170,523	-4,477	-4,477	0

George Rose Park	72,142	17,095	71,283	-859	-861	2
Greenspace improvement plan	291,713	81,311	285,213	-6,500	-6,500	0
Restoration and Renovation of Broadway West Playing Fields	159,461	87,787	87,787	-71,674	0	-71,674
Walsall Arboretum Restoration Programme - illuminated Park proposals	270,000	0	20,000	-250,000	-142,000	-108,000
Willenhall Memorial Park	180,000	0	160,000	-20,000	-20,000	0
Headstone safety in Cemeteries	80,000	25,126	80,000	0	0	0
Mercury abatement	0	17,410	17,410	17,410	0	17,410
Roadway extensions in Streetly cemetery	150,000	148,321	148,321	-1,679	0	-1,679
Willenhall EACT Academy Swimming Pool Changing Provision	75,000	0	75,000	0	0	0
Bentley Community Facility	1,372,500	980	980	-1,371,520	-1,371,520	0
Introduction of Radio Frequency Identification (RFID) in libraries	7,574	7,227	7,227	-348	0	-348
Ride on Mower	6,900	6,900	6,900	0	0	0
Total Mainstream	7,269,426	3,901,663	5,505,074	-1,764,352	-1,601,295	-163,057
Non Mainstream						
Environment						
Waste infrastructure capital grant	400,523	102,269	375,602	-24,921	-24,921	0
Transport						
Development of Highways Asset Management Plan (HAMPS)	187,705	7,034	160,000	-27,705	-27,705	0
Local Highways Maintenance Funding	352,000	200,000	352,000	0	0	0
LTP Highway Maintenance - Bridges	1,828,668	101,092	184,081	-1,644,587	-1,643,057	-1,530
Low emission Strategy	10,933	5,227	10,933	0	0	0
Highways Improvement works Willenhall	22,264	22,264	22,264	0	0	0
Land North of Leamore Lane	51,100	31,000	51,100	0	0	0
LTP Highway Maintenance	1,398,000	1,283,328	1,398,000	0	0	0
Strategic Transportation	1,431,068	748,338	1,431,068	0	0	0
Leisure and Culture						
Kings Hill park improvement - phase 2	66,424	64,716	65,926	-498	0	-498
Bradbury Park	3,580	3,581	3,581	1	0	1
Pleck Park	634	634	634	0	0	0

Palfrey Park	16,491	0	16,491	0	0	0
Recreating the Croft	54,111	56,666	56,666	2,555	0	2,555
Reedwood Park	60,519	7,605	16,079	-44,440	-44,440	0
Walsall arboretum lido	9,771	1,000	9,771	0	0	0
Pelsall library, childrens centre and health centre	187,037	39,392	187,037	0	0	0
Refurbishment & upgrade of college facilities & premises	30,430	22,997	30,430	-1	0	-1
Walsall arboretum restoration programme (PRU)	3,659,790	69,198	500,000	-3,159,790	-3,159,790	0
Total Non Mainstream	9,771,048	2,766,339	4,871,662	-4,899,386	-4,899,913	527
Overall total	17,040,474	6,668,002	10,376,735	-6,663,739	-6,501,208	-162,531