

**CORPORATE  
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item  
No. 8**

**DATE: 13 SEPTEMBER 2011**

**RESOURCES 2010/11 FINAL BUDGETARY POSITION PRE-AUDIT**

**Ward(s)** All

**Portfolio:**

Councillor Towe – Finance and personnel  
Councillor Arif – Business support services

**Summary of report**

This report summarises the pre-audit revenue and capital outturn position for 2010/11 for services within the remit of the Corporate Scrutiny and Performance Panel.

**Recommendation**

To note the 2010/11 pre-audit year end financial position for services under the remit of the Corporate Scrutiny and Performance Panel is an underspend of £1.708m, after the use of approved reserves and carry forwards and action plans. There is an underspend of £1.557m in the capital schemes within the remit of this panel; however slippage of £1.310m has been requested.

**Background papers**

Various financial working papers.  
2010/11 Budget Books on Council's Internet and Intranet

**Reason for scrutiny**

To inform the panel of the forecasted financial position for 2010/11 within the remit of this panel.

**Signed:**



**Assistant Director:** James Walsh

**Date:** 10 August 2011

**Resource and legal considerations**

Services are required to manage their services within budget. Variances have arisen for a number of reasons, including national economic and local factors. Further detail is provided within this report. Corrective action plans were identified to mitigate overspends within service.

**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 had to be identified 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 were consulted throughout the year and have been provided the pre-audit outturn for comment and analysis.

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1 Pre-audit Revenue Outturn 2010/11

- 1.1 The pre-audit revenue outturn for 2010/11 for the services under the remit of the Corporate Scrutiny and Performance Panel is a underspend of **£1.708m**, net of the use of earmarked reserves and following successful implementation of action plans.
- 1.2 Although the service is underspent as a whole, business support, print and design, ICT and electoral services were overspent. These overspends were predicted over the course of the year and corrective action plans were identified elsewhere to mitigate the overspends arising.
- 1.3 The pre-audit outturn includes use of reserves of £632k (where approval had been given by Cabinet for additional funds for specific services) and approved carry forwards from previous years.
- 1.4 **Table 1** shows the pre-audit outturn for each service, and **Appendix 1** provides an analysis of the reasons for the material variances.
- 1.5 Of the £895k action plans that had been originally identified, £801k was delivered. The remaining £94k was not delivered and is included as overspends in the pre-audit outturn given above.

<b>Table 1 – Pre-Audit Outturn</b>						
<b>Service Area</b>	<b>Annual Budget £'000</b>	<b>Total exp/inc £'000</b>	<b>Variance £'000</b>	<b>Use of Reserves £'000</b>	<b>Request for carry forwards £'000</b>	<b>Pre-audit outturn £'000</b>
Finance	7,310	7,014	(296)	(333)		(629)
Revenues	2,336	2,008	(328)		28	(300)
Benefits	558	(322)	(880)	(86)	46	(920)
Internal Audit	572	445	(127)		30	(97)
Legal	2,698	2,507	(191)	(18)	80	(129)
Constitutional & Mayoral	947	879	(68)			(68)
Electoral Services	525	594	69			69
Human Resources & Development	4,392	4,266	(126)	(104)	225	(5)
Communications	897	842	(55)			(55)
Business Solutions	634	309	(325)	(21)	88	(258)
Programme Delivery	1,678	1,482	(196)	(24)		(220)
Business support	1,308	1,964	656	(29)		627
ICT	4,803	4,805	2		100	102
Print and Design	(181)	24	205	(17)		188
Procurement	453	366	(87)		75	(12)
<b>Total</b>	<b>28,930</b>	<b>27,183</b>	<b>(1,747)</b>	<b>(632)</b>	<b>672</b>	<b>(1,708)</b>

## 2 Pre-audit Capital Outturn 2010/11

- 2.1 The pre-audit capital outturn for 2010/11 for the schemes under the remit of this panel is £1.557m underspend, which reduces to a net underspend position of **£247k** following the request to carry forward **£1.310m** into 2011/12. **Table 2** shows a summary by scheme.

<b>Table 2 – Pre-audit Summary of Capital Programme</b>				
<b>Scheme</b>	<b>Annual Budget £'000</b>	<b>Total spend £'000</b>	<b>Variance £'000</b>	<b>Requested Slippage £'000</b>
Risk management	131	44	(87)	(87)
Self-insured property damage	159	14	(145)	(145)
Software to automate benefit application forms	14	5	(9)	(9)
Bloxwich library communications room	19	10	(9)	(9)
Finance Direct/Oracle	2,213	1,246	(967)	(720)
Replacement of benefits system	36	36	0	0
Investing in working smarter	340	0	(340)	(340)
<b>Total Capital</b>	<b>2,912</b>	<b>1,355</b>	<b>(1,557)</b>	<b>(1,310)</b>

## Appendix 1 - Reasons for revenue variations

Service	Reason/explanation for variance	Variance £'000
Finance	Holding posts vacant to support the corporate financial position and reduction in audit and insurance costs	(629)
Revenues	Holding posts vacant and securing external grant income, reduction in printing and more court cost income	(300)
Benefits	Holding posts vacant, additional income from overpayment recovery, and reduction in print and design due to e-benefits	(920)
Internal Audit	Holding posts vacant and reduction in professional fees	(97)
Legal	Holding posts vacant, maternity savings and more income from traded services with schools	(129)
Constitutional & Mayoral	Holding posts vacant, maternity savings and restraint of non essential expenditure	(68)
Electoral Services	Printing and room hire costs plus shortfall in grant	68
Human Resources and Development	Overspends contained within service by holding posts vacant	(3)
Communications	Savings on centralised marketing expenditure and holding posts vacant	(55)
Business Solutions	Holding posts vacant and non essential restraint	(259)
Programme Delivery	Holding posts vacant, savings from maternity and secondment, and underspends on printing, stationery and professional surveys	(221)
Business Support	Cost pressure after devolution of service offset by action plans elsewhere in the directorate	628
ICT	Overspend on applications, data centres and hardware	102
Print & Design	Shortfall in income from external and internal customers offset by underspends elsewhere	188
Procurement	Holding posts vacant and non essential expenditure	(12)
<b>TOTAL VARIANCE</b>		<b>(1,708)</b>