

29 July 2008

Revenue Monitoring – 2007/08 Final Outturn

Ward(s) All

Portfolios: Cllr Anthony Harris, Cllr Louise Harrison, Cllr Gary Perry and Cllr Rachel Walker

Summary of report:

This report gives a breakdown of the Directorate's final revenue outturn for 2007/08 and the forecast revenue outturn for 2008/09 including explanations of overspends and risks to the achievement of the forecast.

Background papers:

Various financial working papers.

Reason for scrutiny:

To provide a final report on the 2007/08 revenue outturn (pre-audit) and an update on the 2008/09 financial performance of the Directorate's Services

Resource and legal considerations:

The budgets were set as part of the council's budget setting process in line with the Medium Term Financial Strategy.

Citizen impact:

None directly associated with this report.

Environmental impact:

None directly associated with this report.

Performance management:

Financial performance is considered alongside service targets.

Equality Implications:

None directly associated with this report.

Consultation:

Consultation was undertaken as part of the budget setting process.

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1. Outturn 2007/08

- 1.1 The final revenue outturn for 2007/08 for the Neighbourhood Services Directorate, is an underspend of **£160,693** (net of the use of earmarked reserves), of which a total of £62,000 has been approved to be carried forward into 2008/09. **Table 1** gives a summary of service position. **Table 2** provides an analysis of the reasons for the material variances.

| Table 1 – Neighbourhood Services Directorate Final Revenue Outturn 2007/08 | | | |
|---|---------------------------------|--------------------------------|-------------------------------------|
| Programme | 2007-08 Budget £ | Final Outturn £ | Over/ (Underspend) £ |
| Built Environment | 36,754,547 | 37,075,773 | 321,226 |
| Leisure, Culture & Lifelong Learning | 22,892,457 | 23,929,277 | 1,036,820 |
| Safer Walsall Borough Partnerships | 1,434,894 | 1,399,119 | (35,775) |
| Neighbourhood Partnerships & Programmes | 1,712,799 | 1,880,830 | 168,031 |
| Neighbourhood Services 2007-08 Cash Limit | 62,794,697 | 64,284,999 | 1,490,302 |
| Expenditure funded from Earmarked Reserves – see 2.4 below | 0 | (1,650,995) | (1,650,995) |
| Total Neighbourhood Services Outturn | 62,794,697 | 62,634,004 | (160,693) |
| Approved Carry Forwards (Para 2.5) | | | 62,000 |
| Total Neighbourhood Services Outturn (Net of Approved Carry Forwards) | | | (98,693) |

- 1.2 Explanations for the final £160,693 underspend on Neighbourhood Services are given in **table 2**:

Table 2 – Explanation of 2007/08 Year End revenue variance

| Service Area | Amount £ | Explanation of Variance |
|-----------------------------------|-----------------|--|
| Built Environment | | |
| Property Services | 525,375 | £137k under-recovery of fees, £112k property management, and £300k Office Accommodation maintenance, partly offset by vacancy management savings within Estates and School Crossing Patrols. |
| Street Pride | (1,185,209) | Underspends - £673k waste disposal costs, £300k for Fryers Road floor pad, £211k Fleet income from extension of contract, £84k redn in private contractor fees on tipping, £75k mgt vacancies, £53k addl grounds income, and £50k delay in purchase of ride on mowers. Overspend - £261k fuel & contractor payments within Fleet Services. |
| Engineering & Transport | (447,341) | Underspends - £109k addl s74 income, £99k vacancy mgt, £137k Street Lighting, and £168k private contractor fees, offset by £66k under-recovery of car parking income. |
| Public Protection | 25,996 | Under-recovery of Bereavement Services income £210k, offset by £184k vacancy mgt/addl fees within Registrars and Licensing. |
| Leisure, Culture & LLL | | |
| Catering | 491,061 | Income targets not met – low meal sales, overspend on equipment, supplies, training and provisions, and the loss of contracts for FF Harrison, Art Gallery and Meals on Wheels. |
| Sports Development | 42,626 | Black Country Consortium costs |
| Sports & Leisure Mgt | 215,089 | Under-recovery of income due to increase in membership fees. |
| Greenspaces | (88,513) | Underspend on employee costs / restraint on expenditure. |
| Bryntysilio | 7,646 | |
| Arts & Events | 16,979 | |
| Illuminations | 234,373 | Due to shortfall in income from fall in visitor numbers. |
| Marketing & Box Office | 25,919 | Due to unrealistic income targets on box office & venue hire. |
| Libraries & Heritage | 65,838 | Overspend on Blakenall Village premise costs plus minor other overspends, some savings on book fund. |
| College of Cont Education | (7,238) | |
| Creative Development | 19,445 | |
| Art Gallery | 4,234 | |
| Management Services | 44,230 | Part due to income targets not met and BC consortium. |
| Community Services | (23) | |
| Electoral Services | (8,585) | |
| First Stop Shop | (69,551) | Underspends on bus project and vacancy management. |
| SWBP | (35,775) | Overspend - £67k on CCTV supplies & services, offset by £103k additionaland Home Office income. |
| N'hood P'ships & Progs | (37,267) | Underspends on voluntary sector grants and equalities. |
| | 160,693 | |
| TOTAL | | |

1.3 Use of Earmarked Reserves

The outturn includes overspends of £1,650,995 on specific services, where approval has been given to fund from earmarked reserves. These reserves are set aside for specific reasons, eg approved carry forwards from 2006/07, Cleaners Equal Pay Claim settlement, funding from LABGI, and agreed reserves approved by Cabinet. **Table 3** provides a summary of the overspends funded from earmarked reserves.

| Table 3 - Analysis of 2007/08 Use of Earmarked Reserves | | |
|--|-----------------------|--|
| Service Area | Amount c/fwd £ | Explanation |
| Carry Forwards from 06/07 | | |
| Engineering & Transportation | 65,000 | Parking restriction signage |
| Public Protection | 13,445 | Pandemic Flu |
| | 19,000 | Licensing – new gambling act |
| First Stop Shop | 40,000 | Improved technology |
| Neighbourhood Partnerships | 65,105 | LNP projects |
| Other Specific Reserves | | |
| Property Services | 504,942 | Cleaning Equal Pay Claim costs |
| | 50,000 | Asset Management Consultancy |
| Street Pride | 32,792 | Waste project funded from LABGI |
| Engineering & Transportation | 717,226 | Street Lighting PFI – centrally held grant |
| Illuminations | 3,292 | Illuminations commercial opps from LABGI |
| Neighbourhood Partnerships | 140,193 | Match funding from LABGI |
| Total | 1,650,995 | |

1.4 Carry Forwards to 2008/09

Table 4 summarises the approved carry forward of under/overspends from 2007/08 to 2008/09 :-

| Table 4 – Neighbourhood Services Directorate Carry Forwards from 2007/08 to 2008/09 | |
|--|---------------|
| Underspends | |
| Street Pride – Health & Safety repair work to Fryers Road Floor Pad | 292,000 |
| Creative Development – Leaps & Bounds Project | 10,000 |
| First Stop Shop – Delay in procurement for new Customer Services bus | 10,000 |
| Overspends | |
| Property Services – allocation of 07/08 overspend | -250,000 |
| Grand Total | 62,000 |

1.4 Final Capital Outturn 2007-08

The final capital outturn for 2007/08 for the Neighbourhood Services Directorate, is an underspend of £3,550,686, of which a total of £3,582,520 has been approved to be slipped into 2008/09 – net overspend of £31,834.

| Table 5 – Final Capital Outturn 2007/08 | | | | | |
|--|-----------------------------|----------------------|-------------------------------------|--|-------------------------------------|
| Programme | 2007/08 Budget £ | Outturn £ | Revenue/ Grant adj £ | Slippage to 2008/09 £ | Over/ (Underspend) £ |
| Mainstream | | | | | |
| Built | 7,763,272 | 6,780,613 | 0 | 986,326 | 3,667 |
| Environment | 1,047,383 | 317,826 | (2,125) | 697,567 | (34,115) |
| Leisure, Culture & LLL SWBP | 315,800 | 134,480 | 0 | 181,320 | 0 |
| Total Mainstream | 9,126,455 | 7,232,919 | (2,125) | 1,865,213 | (30,448) |
| Prudential Code | | | | | |
| Built | 83,700 | 83,700 | 0 | 0 | 0 |
| Environment Leisure, Culture & LLL | 653,542 | 423,823 | 0 | 292,000 | 62,281 |
| Total Prudential | 737,242 | 507,523 | 0 | 292,000 | 62,281 |
| Non- mainstream | | | | | |
| Built | 8,032,132 | 6,865,951 | (10,819) | 1,177,000 | 0 |
| Environment | 738,095 | 515,197 | 60,615 | 162,284 | 0 |
| Leisure, Culture & LLL Nhood Ptships & Prog | 572,292 | 61,028 | 425,241 | 86,023 | 0 |
| Total non- mainstream | 9,342,519 | 7,442,176 | 475,037 | 1,425,307 | 0 |
| Total | 19,206,216 | 15,182,618 | 472,912 | 3,582,520 | 31,834 |