

DATE: 22 November 2018

**ECONOMY & ENVIRONMENT FINANCIAL PERFORMANCE – FORECAST REVENUE AND
CAPITAL OUTTURN FOR 2018/19 – Quarter 2 period ended 30 September 2018**

Ward(s) All

Portfolios:

Councillor A. Andrew – Deputy Leader of the Council and Regeneration

Councillor L. Harrison – Clean and Green

Councillor G. Perry – Community, Leisure and Culture

Executive Summary

This report summarises the forecast revenue and capital financial position for 2018/19, based on the position to September 2018, for services within the remit of the Economy and Environment Overview and Scrutiny Committee. The following RAG reporting criteria is used for capital and revenue outturn purposes:

| | |
|--------------|--|
| RED | Overspend more than 5% of net budget (£1.37m) |
| AMBER | Overspend more than 0.1% of net budget (£0.027m) |
| GREEN | Overspend less than or equal to 0.1% of net budget |

The revenue position is a forecast overspend of £0.197m (**AMBER**).

The capital position is a forecast variance of £6.446m (**GREEN**), which comprises true project under spends of £1.145m, carry forward requests of £5.347m and overspends of £0.047m for which budget virements are pending.

There are currently risks associated with this forecast and the total financial exposure to risk has been calculated as £0.801m, RAG rated as follows:

- **RED** (high) risks - £0.384m
- **AMBER** (medium) risks - £0.402m
- **GREEN** (low) risks - £0.015m

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.

Reason for scrutiny

To inform the committee of the forecast financial position for 2018/19 to allow the scrutiny of the financial performance of the services within the committee's remit.

Recommendations:

1. That the Committee note that the forecast 2018/19 year end financial position for services under the remit of this committee is as follows:
 - a. REVENUE (RAG Status – **AMBER**) **overspend of £0.197m**, net of the use of and transfer to earmarked reserves and implementation of action plans.
 - b. CAPITAL (RAG Status - **GREEN**) **variance of £6.446m**; which comprises **underspends of £1.145m**; **carry forward requests of £5.347m**; and **overspends of £0.047m**.

Background papers

Various financial working papers

Corporate Budget Plan and Treasury Management and Investment Strategy 2018/19.

Signed:



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



**Executive Director for Resources
and Transformation:** James Walsh
Date:

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.

Council Corporate Plan Priorities:

The Directorate impacts on the priorities of: Economic Growth, People, Internal Focus, Children and Communities. Good financial management supports the council objective of having a modern resilient council that can provide value for money, efficient and effective services.

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.

Reducing Inequalities:

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.

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1 **Forecast Revenue Outturn 2018/19 (RAG Status – AMBER)**

The forecast revenue outturn for 2018/19 for the services under the remit of the Economy and Environment Overview and Scrutiny Committee is an overspend of £0.197m, net of the use of earmarked reserves. The forecast revenue outturn shown is based on actual information from the Oracle system as at the end of September 2018, and discussions with managers regarding year end forecast and achievement of approved savings.

1.1 **Table 1** below shows the forecast outturn for each service.

| Table 1 – forecast revenue outturn | | | | | |
|---|----------------------|--------------------------|--------------------------|--|--|
| | Annual Budget | Year End Forecast | Year End Variance | Net (use of)/ transfer to Reserve | Variance net of reserves (under)/ overspend |
| Service | £m | £m | £m | £m | £m |
| Clean & Green Services | 16.192 | 16.256 | 0.064 | (0.246) | (0.182) |
| Economy & Environment Management | 0.059 | 0.181 | 0.122 | 0.00 | 0.122 |
| Leisure, Culture & Operations | 2.569 | 2.541 | (0.028) | (0.092) | (0.119) |
| Planning, Engineering & Transportation | 8.883 | 8.648 | (0.235) | 0.384 | 0.149 |
| Programme Management | 0.230 | 1.726 | 1.496 | (1.541) | (0.045) |
| Regeneration & Development | 0.323 | 1.143 | 0.820 | (0.501) | 0.319 |
| Regulatory Services | 1.702 | 1.761 | 0.059 | (0.107) | (0.048) |
| Smarter Workplaces | 0.350 | 0.350 | 0.00 | 0.00 | 0.00 |
| | 30.307 | 32.606 | 2.299 | (2.103) | 0.197 |

1.2 The predicted outturn includes use of reserves of **£3.123m** (where approval has been given by Cabinet for additional funds for specific services) and requests for transfer to reserves of **£1.021m**. A breakdown of reserves is detailed in **Appendix 1**.

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

- Clean & Green – overspend on domestic waste collection service and the recycling contract
- Economy and Environment Management – forecast unachieved efficiency savings.
- Leisure, Culture & Operations – overachievement of net Active Living income
- Planning, Engineering and Transportation – overspend on depot costs
- Regeneration and Development – forecast unachieved Asset Management savings for both 2017/18 and 2018/19

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 this as part of an action plan. Work to identify mitigating actions is in progress. It is expected that the majority of this forecast overspend will be mitigated in year through efficiencies in the directorate.

- 1.4 **Appendix 3** details the risks associated with this forecast and the total financial exposure to risk has been calculated as **£0.801m**. 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.
- 1.5 Included within the approved budget for 2018/19 are £2.216m of approved savings relating to services within the remit of this committee. An update on the achievement of 2018/19 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 £0.824m have been ragged **RED** as not being achievable, as follows

- Clean & Green – Garden waste 3 weekly - £0.036m (note that as this has been formally removed by Cabinet during 2018/19 so is a change in policy rather than a 'non-achieved saving').
- Clean & Green - Waste collection 4 day working week - £0.063m
- Economy & Environment Management - Operational efficiencies across E&E including Management savings - £0.100m
- Planning, Engineers & Transportation - Highways maintenance renewed contract - £0.100m
- Planning, Engineers & Transportation - FYE Highways maintenance contract - £0.050m
- Planning, Engineers & Transportation – Introduction of a street and road works permit scheme - £0.075m
- Planning, Engineers & Transportation – Redesign and reduce traffic management - £0.050m
- Regeneration & Development - Asset Management - Transformation work based on 'our assets' - £0.350m

Clean and Green, Economy & Environment Management and Asset Management red savings are reflected in the reported forecast overspend. However, it is still intended to identify alternative under spends to achieve the Planning, Engineers and Transportation savings.

There are no **AMBER** savings.

2 **Capital Outturn 2018/19 (RAG Status – GREEN)**

2.1 The capital position for the schemes under the remit of this committee is a forecast variance of £6.446m (**GREEN**), which comprises:

- **carry forward request of £5.347m** mainly due to reprofiling of spend on the District town centres public realm programme of work, Walsall market and Saddlers shopping centre
- **underspends of £1.145m** on the Smarter Workplaces project which will be superseded by Assets transformation and Goscote open space.
- **overspend of £0.047m** attributable to Gala baths roof, and Arboretum events field which will be funded by corporate finance from underspends elsewhere.

Table 2 – Capital Forecast

| Service and scheme | Annual Budget £m | Actual to Date £m | Year End Forecast £m | Variance before carry forward £m | Type of Variance £m |
|--|---------------------|----------------------|-------------------------|-------------------------------------|------------------------|
| | | | | | |
| <u>Council funded</u> | | | | | |
| Clean & Green Services | | | | | |
| Arboretum Events Field - drainage scheme (RCCO) | 0.065 | 0.096 | 0.100 | 0.035 | Overspend |
| Broadway West Playing Fields | 0.150 | 0.000 | 0.050 | (0.100) | Carry Forward |
| Fryers Road Sprinkler System | 0.268 | 0.000 | 0.025 | (0.243) | Carry Forward |
| Open Water | 0.065 | 0.015 | 0.065 | 0.000 | |
| Replacement of wooden Trim Trail at King George V playing fields | 0.001 | 0.000 | 0.001 | 0.000 | |
| St Peters Church - repairs to surrounding walls | 0.025 | 0.000 | 0.025 | 0.000 | |
| Walsall Arboretum Car Park | 0.009 | 0.000 | 0.009 | 0.000 | |
| Walsall Arboretum Restoration Programme - illuminated park proposals | 0.005 | 0.000 | 0.005 | 0.000 | |
| Willenhall Memorial Park | 0.014 | 0.007 | 0.014 | 0.000 | |
| Leisure, Culture & Operations | | | | | |
| Active Living - Bloxwich (PWLb) | 0.001 | 0.000 | 0.001 | 0.000 | |
| Active Living - Oak Park (PWLb) | 0.177 | 0.016 | 0.177 | 0.000 | |
| Bloxwich Active Living Centre-Interactive Aquatics Play | 0.030 | 0.000 | 0.030 | 0.000 | |
| Darlaston Swimming Pool | 0.150 | 0.150 | 0.150 | 0.000 | |
| Headstone safety in Cemeteries (RCCO) | 0.048 | 0.022 | 0.048 | 0.000 | |
| Leisure Management System | 0.018 | 0.009 | 0.018 | 0.000 | |
| Library Redesign - Lichfield Street Hub | 4.365 | 1.934 | 4.365 | 0.000 | |
| Mobile Technology Implementation for Building Control | 0.012 | 0.009 | 0.012 | 0.000 | |
| Oak Park-Artificial Grass Pitch | 0.150 | 0.000 | 0.150 | 0.000 | |

| Service and scheme | Annual Budget £m | Actual to Date £m | Year End Forecast £m | Variance before carry forward £m | Type of Variance £m |
|--|-------------------------|--------------------------|-----------------------------|---|----------------------------|
| Oil Tank above Gala Baths | 0.025 | 0.037 | 0.037 | 0.012 | Overspend |
| Open Plus in Libraries | 0.397 | 0.004 | 0.397 | 0.000 | |
| Single Library Management System | 0.094 | 0.000 | 0.094 | 0.000 | |
| Planning, Engineering & Transportation | | | | | |
| Community Dropped Crossings | 0.021 | 0.000 | 0.021 | 0.000 | |
| District Town Centre's Public Realm Improvements | 4.000 | 0.086 | 2.745 | (1.255) | Carry forward |
| Hatherton Road Car Park | 0.264 | 0.009 | 0.050 | (0.214) | Carry forward |
| Highways maintenance | 2.845 | 1.341 | 2.845 | 0.000 | |
| Migration of Urban Traffic control analogue comms network | 0.185 | 0.001 | 0.185 | 0.000 | |
| Promotion of Community Health & Safety | 0.120 | 0.000 | 0.120 | 0.000 | |
| Replacement of development management, building control & land charge ICT system | 0.030 | 0.030 | 0.030 | 0.000 | |
| Replacement of obsolete analogue weather stations | 0.040 | 0.000 | 0.030 | (0.010) | Under spend |
| Replacement of obsolete traffic signal control equipment | 0.200 | 0.000 | 0.200 | 0.000 | |
| Replacement of speed enforcement camera | 0.175 | 0.000 | 0.175 | 0.000 | |
| Regeneration & Development | | | | | |
| Darlaston SDA (Prudential) | 0.266 | 0.000 | 0.266 | 0.000 | |
| Darlaston SDA | 0.169 | 0.028 | 0.169 | 0.000 | |
| Holmans Strategic Land Acquisition (prudential) | 0.516 | 0.516 | 0.516 | 0.000 | |
| New Homes Bonus | 0.204 | 0.000 | 0.204 | 0.000 | |
| Primark & Co-op development | 0.002 | 0.000 | 0.002 | 0.000 | |
| Regenerating Walsall | 0.234 | 0.000 | 0.084 | (0.150) | Carry forward |
| Rushall Olympic Football Club | 0.006 | 0.000 | 0.006 | 0.000 | |
| Saddlers Shopping Centre (prudential) | 0.560 | 0.011 | 0.250 | (0.310) | Carry forward |
| Shop maintenance | 0.007 | 0.000 | 0.007 | 0.000 | |
| Town and District Centres Public Realm | 0.871 | 0.000 | 0.000 | (0.871) | Carry forward |
| Walsall Market | 1.877 | 0.008 | 0.050 | (1.827) | Carry forward |
| Walsall Town Centre Public Realm Improvements | 0.229 | 0.003 | 0.229 | 0.000 | |
| Smarter Workplaces | | | | | |
| ICT | 0.307 | 0.000 | 0.000 | (0.307) | Under spend |

| Service and scheme | Annual Budget £m | Actual to Date £m | Year End Forecast £m | Variance before carry forward £m | Type of Variance £m |
|---|-------------------------|--------------------------|-----------------------------|---|----------------------------|
| Property (prudential) | 0.478 | 0.000 | 0.000 | (0.478) | Under spend |
| Total Council Funded | 19.671 | 4.332 | 13.953 | (5.718) | |
| | | | | | |
| <u>Externally Funded</u> | | | | | |
| Clean & Green Services | | | | | |
| Allotment Improvement Programme External | 0.011 | 0.008 | 0.011 | 0.000 | |
| Broadway West Playing Fields | 0.150 | 0.000 | 0.000 | (0.150) | Carry forward |
| Palfrey Park | 0.005 | 0.003 | 0.005 | 0.000 | |
| Reeds, Wood & Water Project | 0.032 | 0.026 | 0.032 | 0.000 | |
| Walsall arboretum restoration programme (PRU) | 0.147 | 0.042 | 0.147 | 0.000 | |
| Waste infrastructure capital grant | 0.227 | 0.000 | 0.000 | (0.227) | Carry Forward |
| Willenhall Memorial Park Heritage & Habitats | 0.031 | 0.029 | 0.031 | 0.000 | |
| Willenhall Memorial Park - Artwork | 0.001 | 0.001 | 0.001 | 0.000 | |
| Leisure, Culture & Operations | | | | | |
| Active Living Bloxwich (Grant) | 0.104 | 0.000 | 0.104 | 0.000 | |
| Active Living Oak Park (Grant) | 0.053 | 0.000 | 0.053 | 0.000 | |
| Oak Park-Artificial Grass Pitch - External funding | 0.300 | 0.000 | 0.300 | 0.000 | |
| Planning, Engineering & Transportation | | | | | |
| Additional Highway Maintenance pothole funding | 0.391 | 0.277 | 0.391 | 0.000 | |
| Capital Block DFT Fund | 2.366 | 1.151 | 2.366 | 0.000 | |
| Development of Highways Asset Management Plan (HAMPS) | 0.030 | 0.013 | 0.030 | 0.000 | |
| LTP including bridge strengthening 2010/11 | 0.200 | 0.000 | 0.200 | 0.000 | |
| LTP Yorks Bridge | 0.070 | 0.024 | 0.070 | 0.000 | |
| Network Rail Scheme-Level Crossing | 0.122 | 0.035 | 0.122 | 0.000 | |
| Pedestrian Crossing on Northgate | 0.011 | 0.000 | 0.011 | 0.000 | |
| Programme Management | | | | | |
| Growth Deal | 22.775 | (2.899) | 22.775 | 0.000 | |
| M6 Junction 10 Highway Improvements | 1.312 | 0.161 | 1.312 | 0.000 | |
| Regeneration & Development | | | | | |
| A461 corridor junction improvements | 0.000 | 0.000 | 0.000 | 0.000 | |
| A461 National Productivity Investment Fund (NPIF) | 0.000 | (0.022) | (0.000) | 0.000 | |
| Goscote Open Space | 0.383 | 0.000 | 0.032 | (0.351) | Under spend |

| Service and scheme | Annual Budget | Actual to Date | Year End Forecast | Variance before carry forward | Type of Variance |
|--|----------------------|-----------------------|--------------------------|--------------------------------------|-------------------------|
| | £m | £m | £m | £m | £m |
| M6 Junction 10 Highway Improvements | 0.142 | 0.000 | 0.142 | 0.000 | |
| National Productivity Investment Fund | 1.028 | 0.184 | 1.028 | 0.000 | |
| Regenerating Walsall - Private Contributions | 0.009 | 0.000 | 0.009 | 0.000 | |
| West Midlands Strategic Transport Plan (STP) 'Movement for Growth' | 1.786 | 0.192 | 1.786 | 0.000 | |
| Willenhall Townscape Heritage Initiative – Heritage Lottery Fund | 0.001 | 0.000 | 0.001 | 0.000 | |
| Total Externally Funded | 31.687 | (0.774) | 30.959 | (0.728) | |
| | 51.359 | 3.558 | 44.912 | (6.446) | |

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

Appendix 1 - Analysis of 2018/19 Earmarked Reserves

| Service / Reserve description | Total approved reserve £m | Forecast use of reserve £m | Transfer to reserve £m | Net use of reserve £m |
|---|------------------------------|-------------------------------|---------------------------|--------------------------|
| Clean & Green Services | | | | |
| 17/18 Unauthorised Encampments | 0.021 | (0.021) | 0.000 | (0.021) |
| 18/19 unauthorised encampments - physical works | 0.100 | (0.100) | 0.000 | (0.100) |
| Arboretum Drainage System (RCCO) | 0.065 | (0.065) | 0.000 | (0.065) |
| Completion of Greenspaces Strategy | 0.002 | (0.002) | 0.000 | (0.002) |
| Consultancy work related to waste collections | 0.040 | (0.040) | 0.000 | (0.040) |
| Contribution to the Web designer tasked with transforming the Clean and Green web pages | 0.006 | (0.006) | 0.000 | (0.006) |
| IFRS - Natural England | 0.044 | 0.000 | 0.000 | 0.000 |
| IFRS - Section 106 | 0.738 | 0.000 | 0.062 | 0.062 |
| Parks and Green Spaces redundancy | 0.047 | (0.047) | 0.000 | (0.047) |
| Resource in the contact centre - Continuation of the campaign to reduce fly tipping | 0.027 | (0.027) | 0.000 | (0.027) |
| Street Scene redundancy | 0.001 | (0.001) | 0.000 | (0.001) |
| Walsall Council contribution to the UNESCO officer costs | 0.016 | (0.001) | 0.000 | (0.001) |
| Economy & Environment Management | | | | |
| IFRS - Transition funding | 0.013 | 0.000 | 0.000 | 0.000 |
| Leisure, Culture & Operations | | | | |
| Building Control Fee (ring fenced) | 0.107 | 0.000 | 0.016 | 0.016 |
| Donations | 0.009 | (0.001) | 0.000 | (0.001) |
| IFRS - Artist Development | 0.012 | (0.005) | 0.000 | (0.005) |
| IFRS - Arts Council England - dilapidations | 0.005 | 0.000 | 0.000 | 0.000 |
| IFRS - Arts Council England 11/12 | 0.045 | (0.015) | 0.000 | (0.015) |
| IFRS - Arts Council England 12/13 - Regular Grant | 0.112 | 0.000 | 0.000 | 0.000 |
| IFRS - Bookstart | 0.001 | 0.000 | 0.000 | 0.000 |
| IFRS - Doorstep Sports Club | 0.003 | 0.000 | 0.000 | 0.000 |
| IFRS - Environmental Levy | 0.530 | 0.000 | 0.000 | 0.000 |
| IFRS - Exclusive Burial Rights Levy | 0.069 | (0.048) | 0.023 | (0.025) |
| IFRS - HLF project - Rediscover Bloxwich | 0.009 | (0.009) | 0.000 | (0.009) |
| IFRS - Marketing Promotion Sport England 11/12 & 12/13 | 0.005 | (0.005) | 0.000 | (0.005) |
| IFRS - NAG - ABC (Audience Black Country) Membership - | 0.003 | 0.000 | 0.000 | 0.000 |
| IFRS - NAG - Science Project | 0.001 | 0.000 | 0.000 | 0.000 |
| IFRS - Paul Hamlyn Foundation/Right to Read | 0.004 | 0.000 | 0.000 | 0.000 |
| IFRS - Walk On | 0.007 | 0.000 | 0.000 | 0.000 |

| Service / Reserve description | Total approved reserve £m | Forecast use of reserve £m | Transfer to reserve £m | Net use of reserve £m |
|---|--------------------------------------|---------------------------------------|-----------------------------------|----------------------------------|
| IFRS - Way Forward Project | 0.004 | 0.000 | 0.000 | 0.000 |
| Inspired Generations (CSAF) | 0.004 | 0.000 | 0.000 | 0.000 |
| Library Service redesign | 0.048 | (0.048) | 0.000 | (0.048) |
| NAG External Consultancy | 0.006 | (0.006) | 0.000 | (0.006) |
| Windfall Income | 0.000 | 0.000 | 0.007 | 0.007 |
| Planning, Engineering & Transportation | | | | |
| Bus Lane enforcement | 0.139 | 0.000 | 0.000 | 0.000 |
| Commuted sum Shannon's Mill | 0.036 | (0.006) | 0.000 | (0.006) |
| Economic Growth Programme | 0.074 | (0.037) | 0.000 | (0.037) |
| IFRS - DFT Bikeability grant 2008/09 | 0.016 | (0.016) | 0.000 | (0.016) |
| IFRS - DFT Bikeability grant 2009/10 | 0.008 | (0.008) | 0.000 | (0.008) |
| IFRS - DFT Bikeability grant 2010/11 | 0.029 | (0.029) | 0.000 | (0.029) |
| IFRS - DFT Bikeability grant 2011/12 | 0.036 | (0.036) | 0.000 | (0.036) |
| IFRS - DFT Bikeability grant 2012/13 | 0.019 | (0.019) | 0.000 | (0.019) |
| IFRS - DFT Bikeability grant 2013/14 | 0.016 | 0.000 | 0.000 | 0.000 |
| IFRS - DFT Bikeability grant 2014/15 | 0.038 | 0.000 | 0.000 | 0.000 |
| IFRS - DFT Bikeability grant 2015/16 | 0.037 | 0.000 | 0.000 | 0.000 |
| IFRS - DFT Bikeability grant 2016/17 | 0.022 | 0.000 | 0.000 | 0.000 |
| IFRS - DFT Bikeability grant 2017/18 | 0.032 | (0.007) | 0.000 | (0.007) |
| IFRS - DFT Road safety grant | 0.039 | 0.000 | 0.000 | 0.000 |
| IFRS - Driver Improvement (Dudley Council) | 0.015 | 0.000 | 0.000 | 0.000 |
| IFRS – Financial appraisals | 0.026 | 0.000 | 0.013 | 0.013 |
| IFRS - HPDG - MB salary cost | 0.044 | 0.000 | 0.000 | 0.000 |
| IFRS - Local Road Safety 2015/16 | 0.035 | 0.000 | 0.000 | 0.000 |
| IFRS - Local Road Safety 2016/17 | 0.012 | 0.000 | 0.000 | 0.000 |
| IFRS - Local Road Safety 2017/18 | 0.015 | 0.000 | 0.000 | 0.000 |
| IFRS - Midlands Air Quality funds (Birmingham County Council) 2012/13 | 0.030 | 0.000 | 0.000 | 0.000 |
| IFRS - Midlands Air Quality funds (Birmingham County Council) 2013/14 | 0.001 | 0.000 | 0.000 | 0.000 |
| IFRS - Post 16 Travel 2013/14 (Children's Services) | 0.022 | 0.000 | 0.000 | 0.000 |
| IFRS - S106 planning | 0.417 | (0.018) | 0.000 | (0.018) |
| IFRS - School Strategy 2012/13 (Children's Services) | 0.016 | 0.000 | 0.000 | 0.000 |
| IFRS - School Strategy 2015/16 (Children's Services) | 0.025 | 0.000 | 0.000 | 0.000 |
| IFRS - Sustainable Drainage Grant | 0.034 | 0.000 | 0.000 | 0.000 |
| IFRS - Walsall PCT - Active school travel project (A stars) | 0.030 | (0.011) | 0.000 | (0.011) |
| Mediation Reserve - legal fees Waverley Mast | 0.068 | 0.000 | 0.000 | 0.000 |

| Service / Reserve description | Total approved reserve £m | Forecast use of reserve £m | Transfer to reserve £m | Net use of reserve £m |
|--|--------------------------------------|---------------------------------------|-----------------------------------|----------------------------------|
| On-street parking income | 0.069 | 0.000 | 0.000 | 0.000 |
| Street lighting PFI | 20.341 | 0.000 | 0.559 | 0.559 |
| Programme Management | | | | |
| Economic Growth Programme - Programme Management | 0.648 | (0.229) | 0.000 | (0.229) |
| ERDF TA Partner contributions | 0.070 | 0.000 | 0.031 | 0.031 |
| ESF TA Partner contributions 2017/18 | 0.006 | 0.000 | 0.022 | 0.022 |
| Fund one match funding ERDF technical assistance project | 0.030 | 0.000 | 0.000 | 0.000 |
| IBC Partner Contributions | 0.024 | (0.001) | 0.000 | (0.001) |
| IFRS - City Deal - Welfare Pilot | 0.693 | (0.693) | 0.000 | (0.693) |
| IFRS - Growth Hub | 0.221 | 0.000 | 0.000 | 0.000 |
| IFRS – LEP - Core funding | 0.157 | (0.157) | 0.000 | (0.157) |
| IFRS - LEP Energy Strategy | 0.120 | (0.120) | 0.000 | (0.120) |
| IFRS – LEP - Hestletine funding | 0.121 | (0.121) | 0.000 | (0.121) |
| IFRS – LEP - Hestletine funding (Walsall element) | 0.003 | 0.000 | 0.000 | 0.000 |
| LGF - pipeline was BC Transport Director | 0.012 | (0.012) | 0.000 | (0.012) |
| LGF Interest | 0.717 | 0.000 | 0.052 | 0.052 |
| Transformation Fund – workforce | 0.236 | (0.210) | 0.000 | (0.210) |
| Walsall Works | 0.221 | (0.161) | 0.000 | (0.161) |
| YEI overheads | 0.158 | 0.000 | 0.057 | 0.057 |
| Regeneration & Development | | | | |
| Asset Management System | 0.035 | (0.010) | 0.000 | (0.010) |
| Black Country core strategy | 0.144 | (0.150) | 0.000 | (0.150) |
| Black Country core strategy - SAD/AAP | 0.074 | (0.015) | 0.000 | (0.015) |
| Economic Growth Programme – Asset Management | 0.085 | 0.000 | 0.039 | 0.039 |
| Economic Growth Programme – Development and Delivery | 0.349 | (0.050) | 0.140 | 0.090 |
| IFRS - Contribution for participation in Pilot Scheme | 0.009 | 0.000 | 0.000 | 0.000 |
| IFRS – Development and Delivery grant S106 | 0.061 | 0.000 | 0.000 | 0.000 |
| LGF - released revenue | 0.519 | 0.000 | 0.000 | 0.000 |
| New Homes Bonus (Housing loans etc) | 0.032 | (0.005) | 0.000 | (0.005) |
| Phoenix 10 | 0.456 | (0.171) | 0.000 | (0.171) |
| Pleck Boxing Club | 0.040 | (0.030) | 0.000 | (0.030) |
| Uncapitalised expenditure | 0.250 | (0.250) | 0.000 | (0.250) |
| Regulatory Services | | | | |
| IFRS – BCTCA – Tobacco Control | 0.012 | 0.000 | 0.000 | 0.000 |
| IFRS – No Cold Calling – Trading Standards | 0.002 | 0.000 | 0.000 | 0.000 |
| IFRS – Sniffer Dog Grant | 0.001 | (0.000) | 0.000 | (0.000) |

| Service / Reserve description | Total approved reserve £m | Forecast use of reserve £m | Transfer to reserve £m | Net use of reserve £m |
|---------------------------------------|---|--|--|---|
| IFRS – Tobacco funding | 0.015 | 0.000 | 0.000 | 0.000 |
| Trading Standards - Hand held devices | 0.031 | (0.015) | 0.000 | (0.015) |
| Taxi Driver Training | 0.041 | (0.041) | 0.000 | (0.041) |
| Unauthorised Encampment officers | 0.147 | (0.051) | 0.000 | (0.051) |
| Smarter Workplaces | | | | |
| Smarter Workplaces | 0.264 | 0.000 | 0.000 | 0.000 |
| Total | 29.846 | (3.123) | 1.021 | (2.103) |

Appendix 2 – Explanation of 2018/19 forecast Revenue Variations by Service

| Service | Reason / explanation for variance | Variance |
|---|---|--------------|
| | | £m |
| Clean & Green Services | Overspends on the domestic waste collection service £0.320m, and the casepak recycling contract as a result of the £5 per tonne increase in gate fee £0.122m, offset by general underspends in disposal costs (£0.246m). Further overspends relating to: Saturday overtime for missed garden waste bin £0.038m; Clinical Waste contract £0.017m; 2% agency fee increase £0.020m; and fuel £0.065m Offset by release of over accruals in agency (£0.058m), HWRC performance fee (£0.210m) and W2R settlement figure (£0.250m). | (0.182) |
| Economy & Environment Management | £0.100m unachieved 18/19 Operational efficiency savings across service including management savings. £0.010m balance of unachieved 16-17 savings | 0.122 |
| Leisure, Culture & Operations | Underspend on; net Active Living Centre income (£0.165m, Leisure Management (£0.039m) salaries, Forest Arts (£0.032m) mostly salaries and supplies underspend offset by income shortfall, Libraries (£0.030m) supplies. Overspend on Sports Development £0.046m, mainly Outdoor Adventure Centre, Bereavement £0.034m due to legal costs, and income shortfalls for Building Control £0.015m and New Art Gallery £0.050m. | (0.119) |
| Planning, Engineering & Transportation | £0.027m overspend on reactive maintenance offset by (£0.028m) salary underspend in Pollution Control and £0.150m overspend on depot costs. | 0.149 |
| Programme Management | Use of (£0.050m) EGP reserve to support Staff Costs | (0.045) |
| Regeneration & Development | Unachieved asset management saving £0.050m 2017/18 and £0.350m 2018/19, underspent on shops and commercial premises (£0.014m), income (£0.032m) and fees £0.011m, and use of (£0.050m) EGP to support staff costs | 0.319 |
| Regulatory Services | Overspent on Unauthorised Encampment £0.016m. Environment Health (£0.057m) from salaries kennelling, supplies and surplus | (0.048) |
| Smarter Workplaces | No significant variances | 0.000 |
| Total | | 0.197 |

Appendix 3 - Risks

| Service Area | Potential Risks | Highest Cost | Total Estimated Exposure |
|--|--|--------------|--------------------------|
| | | £m | £m |
| | Low Risks (RAG Rating – GREEN) | | |
| Clean and Green Services | Increased contamination of co mingled waste and fluctuating gate fees from new recycling disposal contract | 0.025 | 0.005 |
| Clean and Green Services | Ongoing issues around the current waste collection service | 0.050 | 0.010 |
| | Total Low Risks (RAG – GREEN) | 0.075 | 0.015 |
| | Medium Risks (RAG Rating – AMBER) | | |
| Clean and Green Services | C&G Retained housing land - maintenance and repair costs for which there is no budget | 0.100 | 0.040 |
| Clean and Green Services | Garden waste collection service - potential unachieved saving | 0.090 | 0.036 |
| Clean and Green Services | Non achievement of the vacancy management target | 0.150 | 0.060 |
| Clean and Green Services | Implications of the procurement of a corporate security contract. | 0.010 | 0.004 |
| Clean and Green Services | Increased fuel costs | 0.125 | 0.050 |
| Clean and Green Services | Increased in waste arisen or non diversion of waste | 0.100 | 0.040 |
| E & E Management | Remembrance parades | 0.025 | 0.010 |
| Leisure, Culture and Operations | Active Living Centres income trend | 0.100 | 0.040 |
| Leisure, Culture and Operations | New Art Gallery 2016/17 accrual | (0.050) | (0.020) |
| Planning, Engineering & Transportation | Planning - Shortfall of planning applications income | 0.050 | 0.020 |
| Planning, Engineering & Transportation | Planning - Shortfall of Land Charges income | 0.015 | 0.006 |
| Planning, Engineering & Transportation | Winter Maintenance costs | 0.050 | 0.020 |
| Planning, Engineering & Transportation | Contract mobilisation costs | 0.100 | 0.040 |
| Planning, Engineering & Transportation | Traffic regulation orders | 0.035 | 0.014 |
| Planning, Engineering & Transportation | Existing Highways Repair and Maintenance Contract | 0.025 | 0.010 |
| Planning, Engineering & Transportation | Highways Maintenance – Monthly Depot charge | 0.080 | 0.032 |
| | Total Medium Risks (RAG - AMBER) | 1.005 | 0.402 |
| | High Risks (RAG Rating – RED) | | |
| Clean and Green Services | Clinic Waste Contract price and usage increase | 0.010 | 0.006 |

| Service Area | Potential Risks | Highest Cost | Total Estimated Exposure |
|--|--|--------------|--------------------------|
| | | £m | £m |
| Clean and Green Services | Contaminated allotment land | 0.300 | 0.180 |
| Planning, Engineering & Transportation | Highways Maintenance - Reactive Maintenance | 0.200 | 0.120 |
| Planning, Engineering & Transportation | Highways Maintenance - Gully Cleansing | 0.100 | 0.060 |
| Planning, Engineering & Transportation | Ceasing of Emergency Planning Shared Service arrangement | 0.030 | 0.018 |
| | | | |
| | Total High Risks (RAG – RED) | 0.640 | 0.384 |
| | Total | 1.720 | 0.801 |
| | | | |

Appendix 4 – Acronyms and Abbreviations

| Acronym | Description |
|---------|--|
| AAP | Area Action Plan |
| BC | Black Country |
| BCTCA | Black Country Tobacco Control Alliance |
| BMS | Building Management System |
| CSAF | Community Sport Activation Fund |
| DEFRA | Department for Environment Food & Rural Affairs |
| DFT | Department for Transport |
| EAT | Engineers Assistants Time |
| ERDF | European Regional Development Fund |
| HAMPS | Highways Asset Management Plan |
| HPDG | Housing Planning Delivery Grant |
| ICT | Information and Communication Technology |
| IFRS | International Financial Reporting Standard |
| LEP | Local Enterprise Partnership |
| LGF | Local Growth Fund |
| LTP | Local Transport Plan |
| NAG | New Art Gallery |
| NPIF | National Productivity Investment Fund |
| PCT | Primary Care Trust |
| PFI | Private Finance Initiative |
| PRU | Prudential |
| PWLB | Public Works Loan Board |
| RCCO | Revenue Contribution to Capital Outlay |
| S106 | Section 106 |
| SAD | Site Allocation Document |
| SDA | Strategic Development Area |
| STP | Strategic Transport Plan |
| TA | Technical Assistance |
| TCTP | Town Centre Transport Planning |
| UNESCO | United Nations Educational, Scientific and Cultural Organisation |
| YEI | Youth Employment Initiative |