

**REGENERATION
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No. 7**

DATE: 11 MARCH 2010

REVENUE and CAPITAL MONITORING – 2009/10 THIRD QUARTER FORECAST

Ward(s) All

Portfolio:

Councillor Andrew - Regeneration
Councillor Ansell – Transport

Summary of report

This report summarises the predicted revenue and capital outturn position for 2009/10, based on the performance for quarter 3 (October to December 2009), for services within the remit of the Regeneration Scrutiny and Performance Panel. The forecasted year end financial position is a predicted revenue variance (overspend) against budget of **£0.565m** (net of use of earmarked reserves), which becomes an underspend of **£0.089m** following actions put in place to help the council's overall financial position, and a forecast capital underspend of **£8.202m**.

Recommendation

To note the 2009/10 forecasted year end financial position for services under the remit of the Panel.

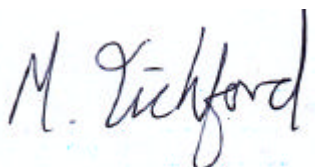
Background papers

Various financial working papers.
2009/10 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the predicted financial position for 2009/10.

Signed:



Mike Tichford on behalf of
Executive Director: Tim Johnson

Date: 1 March 2010

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. Corrective action plans are in place to mitigate overspends within service where possible. Any corporate overspend will require replenishment in the 2010/11 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.

Equality Implications

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

Consultation

Consultation was undertaken as part of the budget setting process, and throughout the financial year with senior officers on the financial position and reporting thereof.

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1 Forecast Revenue Outturn 2009/10 – Regeneration

- 1.1 The forecast revenue outturn for 2009/10 for the services under the remit of the Regeneration Scrutiny and Performance Panel (based on the position as at the end of December 2009) is an overspend against budget of **£0.565m** (net of the use of earmarked reserves), which becomes an underspend of **£0.089m** following actions put in place to help the council's overall financial position. 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 this 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 net use of reserves of £1.014m, where approval has been given by Cabinet for additional funds for specific services, and include approved carry forwards from 2008/09. **Table 1** provides a summary of these.
- 1.4 **Table 2** overleaf shows the forecast outturn for each service, and **Table 3** provides an analysis of the reasons for the forecast material variances.

Table 1 – Analysis of 2009/10 Use of Earmarked Reserves		
Service Area	Reason / Explanation	£
Strategic Regeneration	Use of LABGI	99,423
Development & Delivery	Use of LABGI	73,235
Shopmobility	Use of LABGI and cfwd 08/09	30,806
Town Centre Management	Use of LABGI	59,219
Regeneration Management	Use of LABGI (BCC contribution)	89,013
Building Control & Planning	Redundancy costs to be funded centrally	69,494
Property Services	Condition Surveys (earmarked reserve)	50,000
	Fire Risk (earmarked reserve)	180,000
Housing Standards & Improvements and Supported Housing	Use of corporate resources to fund redundancy costs	362,907
TOTAL USE OF RESERVES		1,014,097

Table 2 – Forecast Revenue Outturn 2009/10

[illegible]

TABLE 3 ANALYSIS OF REASONS FOR BUDGET VARIANCES

Service Area	QTR 3 DEC '09	DECEMBER			Explanation of Year end Variance
		Amount £	Reserves £	Actual £	
Strategic Regeneration					
Strategic Regeneration	0	99,423	(99,423)	0	Use of LABGI reserve.
Markets	45,494	77,383	0	77,383	Overspends of £120k expected - cleaning contracts (£59k), agency staff (53k), and underachievement of income (£8k). Partly offset by projected income from Brownhills Market (£18k), reduction in general running costs (£4k) and use of WNF funding (£20k).
Shopmobility	0	30,806	(30,806)	0	Use of LABGI reserve.
Town Centre Mgt	0	59,219	(59,219)	0	Use of LABGI reserve.
Devpt & Delivery	0	73,235	(73,235)	0	Use of LABGI reserve.
Regeneration Mgt	0	89,013	(89,013)	0	Use of LABGI reserve to fund part contn to BCC
Planning Services					
Planning	0	97,727	(58,599)	39,128	Staffing costs relating to member of staff not yet made redundant expected to be offset by increased income generation which is no longer predicted
Building Control	0	10,895	(10,895)	0	Redundancy costs to be funded corporately.
Land Charges	0	8,855		8,855	Under recovery of income projected
Property Services					
Building Services	242,677	174,107	0	174,107	Overspends expected due to shortfall in fee income of £247k from a reduction in the Education capital programme, utilities and rates on redundant buildings of £14k and £69k respectively, partly offset by a freeze on the repairs & mtnc budget of -£156k.
Design & Project Mgt	100,000	100,000	0	100,000	Projected shortfall in fee income.
Contract Procurement	(3,452)	46,341	(50,000)	(3,659)	Net underspend which relates to increased costs of £170k survey work for Serco and £9k insurance surveys, both offset by additional income and underspends on staffing.
Facilities Management	(78,151)	27,722	(180,000)	(207,722)	Decision made not to review the Cleaning & Caretaking service as planned using the approved net investment of £73k for 2009/10. Additional underspends from the restraint of non-essential expenditure.
Estates Management	168,274	34,359	0	34,359	Shortfall in rental income of £53k general rents and shortfall in survey income £21k, £20k shortfall on leased accommodation saving , £36k further loss of rental income and £30k loss of rent Brownhills market offset by £126k underspends on vacant posts
Strategic Housing					
Housing Standards & Improvement	159,415	348,954	(263,932)	85,022	Expected overspend due to the change in the method of fee charging.
Housing Strategy & Partnerships	9,991	98,308	(98,975)	(667)	Originally expected to underspend by £50k due to salaries and non-essential expenditure. An additional £60k redundancy provision has had to be made based on the decision to bring forward a saving earmarked for 2010/11.
Supported Housing	131,000	63,000	0	63,000	Overspend on Accommodation Services of £131k is expected, offset by £30k from the restraint of expenditure. This is subject to ongoing review.
New Deal	186,000	195,337	0	195,337	Succession costs arising from the succession strategy in preparation for closure of the New Deal programme in March 2011.
Total Regeneration	961,428	1,579,240	(1,014,097)	565,143	

- 2.1 The forecast capital outturn for 2009/10 for the schemes under the remit of this panel (as at the end of December 2009) is currently assumed to be an underspend of **£8.202m**. **Table 4** on the following page provides a summary by service.
- 2.2 It is currently assumed that all resources will be adequately programmed and spent by the year end, with the exception of those below:-

Council resources

- Environmental Regeneration – expected to be slipped into 2010/11
- Regenerating Walsall – expected to be slipped into 2010/11
- Relocation of Pleck Boxing Club – expected to be slipped into 2010/11
- Strategic Corridors & Gateways – expected to be slipped into 2010/11
- Town, District & Local Centres – expected to be slipped into 2010/11
- 1 Bentley Mill Way – minor overspend expected

Externally funded

- Bridge Street / Ablewell Street AWM/HLF – expected to be slipped into 2010/11
- Willenhall THI – HLF/View – expected to be slipped into 2010/11
- Private Sector Renovation Grants – expected to be slipped into 2010/11
- Regional Housing Pot – Regeneration master plan – expected to be slipped into 2010/11
- Regional Housing Pot – Aids & Adaptations – expected to be slipped into 2010/11
- Regional Housing Pot – Birchills Master Plan – expected to be slipped into 2010/11
- Regional Housing Pot – Darlaston Pinfold Street – expected to be slipped into 2010/11
- Regional Housing Pot – Home Safety – expected to be slipped into 2010/11
- Regional Housing Pot – Goscote Purchases – expected to be slipped into 2010/11
- Regional Housing Pot – Health Through Warmth – expected to be slipped into 2010/11
- Regional Housing Pot – Renewable Energy – expected to be slipped into 2010/11
- Bus Showcase – expected to be slipped into 2010/11
- Red Routes – expected to be slipped into 2010/11

Table 4 – Forecast Capital Outturn 2009/10

Service Area / Scheme	Annual Budget £	Year To Date £	Year End Forecast £	Year End Variance £
Councils own resources				
<u>Regeneration Portfolio</u>				
Strategic Regn - Brownhills Market stalls	41,120	41,120	41,120	0
Development / Delivery				
Environmental Regeneration	180,223	66,262	48,438	(131,785)
Regenerating Walsall	852,779	203,138	653,779	(199,000)
Relocation of Pleck Boxing Club	190,000	132,979	80,000	(110,000)
Strategic Corridors & Gateways	183,675	23,534	106,111	(77,564)
Town, District & Local Centres	825,378	653,974	789,957	(35,421)
Property Services				
Asbestos Removal	155,000	68,401	155,000	0
Civic Building Air Conditioning	400,000	30,352	30,352	(369,648)
Safe Water Supplies in Council Premises	275,000	47,949	275,000	0
Structural repairs to Central Library	250,000	106,823	250,000	0
Statutory Testing of mechanical/electrical	300,000	64,996	300,000	0
Essential Mtnce to Non Educ Buildings	500,000	231,191	500,000	0
Rewire of Willenhall Leisure Centre	57,000	49,059	49,059	(7,941)
Redundant Buildings	200,000	160,961	206,850	6,850
Shop Maintenance	120,000	16,009	120,000	0
Leased Accommodation	900,000	0	100,000	(800,000)
North Walsall Depot - fees	20,000	20,000	20,000	0
Boiler works at Willenhall Library	80,000	1,908	80,000	0
Rewire of Walsall Gala Baths	300,000	0	150,000	(150,000)
Housing Standards & Improvements				
Aids & Adaptations	2,783,602	1,193,318	2,283,602	(500,000)
DFG's	0	0	0	0
Willenhall Lane Travellers Site	228,624	69,996	228,624	0
<u>Transport Portfolio</u>				
Strategic Regn - 1 Bentley Mill Lane	2,769	2,832	2,832	63
Total Councils own resources	8,845,170	3,184,802	6,470,724	(2,374,446)
Externally Funded				
<u>Regeneration Portfolio</u>				
Development / Delivery				
Bridge St / Ablewell St - AWM	338,173	62,009	143,173	(195,000)
Bridge St / Ablewell St - HLF	376,243	74,246	181,243	(195,000)
Environmental Regeneration Matchfunding	21,450	0	21,450	0
Smith House & Thomas House	16,746	1,322	16,746	0
Willenhall THI - HLF	150,000	0	0	(150,000)
Willenhall THI - View	150,000	0	0	(150,000)
New Deal	2,782,000	1,353,278	2,782,000	0
Housing Standards & Improvements				
Disabled Facilities Grant	1,215,000	1,215,000	1,215,000	0
Gypsy Council grant phase 2	0	8,781	0	0
New Growth Points	250,000	25,207	250,000	0
Private Sector Renovation Grants	974,940	253,802	668,181	(306,759)
Regional Housing Pot – Regen Master Plan	60,000	0	0	(60,000)
Regional housing Pot – Aids & Adaptations	273,000	0	0	(273,000)
Regional Housing Pot – Birchills Master Plan	60,000	0	0	(60,000)
Regional Housing Pot – Birchills Property Imp	700,000	448,491	550,259	(149,741)
Regional Housing Pot – Darlaston Pinfold St	1,100,000	9,952	9,952	(1,090,048)
Regional housing Pot – Home Safety	35,000	0	0	(35,000)
Regional housing Pot – Goscote purchases	279,028	114,563	118,228	(160,800)
Regional Housing Pot - Health through warmth	1,233,561	468,309	539,685	(693,876)
Regional Housing Pot - Kickstart	69,738	60,946	69,738	0
Regional Housing Pot – Renewable energy	600,000	0	0	(600,000)
Regional Housing Pot - SHLA	60,000	32,634	60,000	0
Regional Housing Pot - Whall Travellers Site	147,008	0	147,008	0
<u>Transport Portfolio</u>				
Strategic Regeneration				
Bus Showcase	2,500,000	365,237	1,227,670	(1,272,330)
Engineering & Transportation contributions	183,283	0	183,283	0

LTP grant	4,164,502	1,749,611	4,164,502	0
Red Routes	1,147,000	86,550	711,000	(436,000)
Total Externally Funded	19,036,672	6,517,171	13,209,118	(5,827,554)
Total Regeneration	27,881,842	9,701,973	19,679,842	(8,202,000)