

**REGENERATION
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No. 10**

DATE: 18 July 2013

DRAFT REVENUE AND CAPITAL OUTTURN 2012/13 (PRE-AUDIT)

Ward(s) All

Portfolio:

Councillor Andrew – Regeneration

Summary of report

This report summarises the draft revenue and capital outturn position for the year ended 2012/13, subject to external audit, for services within the remit of the Regeneration Scrutiny and Performance Panel.

Recommendation

To note that the draft 2012/13 year end financial position for services under the remit of the Regeneration Scrutiny and Performance Panel, is a revenue variance (underspend) against budget of **£0.278m** (net of use of earmarked reserves/ carry forwards), and a capital underspend of **£0.570m** (net of approved carry forwards into 2013/14).

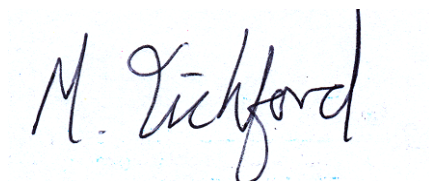
Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout the year
2012/13 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2012/13.

Signed:

A handwritten signature in black ink, appearing to read 'M. Tichford', is written over a light blue rectangular stamp. The signature is fluid and cursive.

Chief Finance Officer: James T Walsh **Interim Executive Director:** Mike Tichford

Date: 1 July 2013

Date: 8 July 2013

Resource and legal considerations

The accounts were monitored and reported on as part of the budget guidelines and all entries into the final accounts have been undertaken in line with the required accounting guidance and standards.

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 were put in place to mitigate overspends. 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

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 Revenue Outturn 2012/13 – Regeneration Directorate

- 1.1 The draft revenue outturn for 2012/13 for the services under the remit of the Regeneration Scrutiny and Performance Panel is an underspend against budget of **£0.278m** (net of the use of earmarked reserves / carry forwards). This position is subject to external audit which will take place during July. Table 1 provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table 1 - Draft Revenue Outturn 2012/13					
Service	Annual Budget £	Year End Actual £	Year End Variance £	Use of Reserves / Approved carry Forward £	Variance Net of Reserves (Under)/ Overspend £
Property Services	7,354,362	7,100,872	-253,490	240,090	-13,400
Planning & Building Control	1,255,079	711,060	-544,019	547,716	3,697
Strategic Regeneration	1,923,937	1,105,219	-818,718	797,198	-21,520
Development & Delivery	2,020,173	1,905,963	-114,210	-95,294	-209,504
Housing Services	3,316,205	3,107,666	-208,539	141,337	-67,202
Regeneration Management	865,619	895,384	29,765	0	29,765
Smarter workplaces	704,311	1,156,296	451,985	-451,985	0
TOTAL REGENERATION	17,439,686	15,982,460	-1,457,226	1,179,061	-278,165
Proposed carry forwards from 2012/13 to 2013/14					161,036
TOTAL NET OF CARRY FORWARDS					117,129

- 1.2 The budget for 2012/13 included approved savings of £0.635m. £0.632m (99.5%) of these were achieved.
- 1.3 The outturn includes net use of and transfers to reserves of £0.581m, excluding windfalls of £0.598, where approval was given by Cabinet for additional funds for specific services, which are summarised in **Table 2** overleaf.

Table 2 – Net transfers to/from reserves

SERVICE	DETAIL	£
Development & Delivery - Markets	Redundancy Costs	-52,477
Development & Delivery - Markets	Pay & Grading	-9,110
Development & Delivery - NHB	Cost incurred on New Homes Bonus Project	-23,668
Development & Delivery	Contingency c/fwd re Goscote Costs	-18,937
Development & Delivery	Pay & Grading	-4,236
Development & Delivery	HPDG - Conservation Officer costs	-19,567
Development & Delivery	S106 costs	-12,303
Development & Delivery	New Habitats Burdens Grant	-5,750
Development & Delivery	Project costs	-89,916
Strategic Regeneration	Town & District Centres Projects (11/12 c/fwd)	-91,266
Strategic Regeneration	Pay & Grading	-6,991
Strategic Regeneration	Town & District Centres Projects - Use of New Homes Bonus	-13,775
Planning & Building Control	Pay & Grading	-12,272
Planning & Building Control	Section 106	-88,760
Planning & Building Control	Legal Fees	-24,125
Planning & Building Control	HPDG	-34,968
Planning & Building Control	Coal Authority (IFRS)	-8,444
Building Services	Delves TMO works	-17,899
Building Services	CMP Civic Variable Speed Drive costs	-6,506
Building Services	Pay & Grading	-3,520
Facilities Management - Curators	Pay & Grading	-8,044
Facilities Management -Plant	Pay & Grading	-15,613
Facilities Management -Central Office	Fire Risk Assessment works	-9,928
Facilities Management -Plant	Redundancy Costs	-44,267
Cleaning	Pay & Grading	-5,868
Caretaking	Pay & Grading	-1,336
Asset Management	Pay & Grading	-1,675
Asset Management	Pleck Boxing Club	-16,741
Asset Management	Asset Management System	-18,556
DPM	Pay & Grading	-14,952
DPM	Redundancy Costs	-85,156
DPM	School feasibility report	-10,000
Housing	Training	-9,083
Housing	UnderOccupancy Grant	-46,724
Housing	IFRS -Rough sleepers	-79,972
Housing	IFRS - Repossession grant	-27,376

Housing	IFRS -Handyman grant	-45,890
Housing	IFRS - Group funding for Homelessness	-13,478
Housing	IFRS - Court Desk	-18,500
Housing	IFRS -Warm Homes	-15,748
Housing	P&G - Housing	-5,266
Housing	Redundancy/ pension reserve	-5,963
Smarter Workplaces	Redundancy	-27,330
Smarter Workplaces	Revenue funding	-424,655
TOTAL AMOUNT TO BE TRANSFERRED FROM EARMARKED RESERVES		-1,496,611
Development & Delivery	Town Team Partners	10,000
Development & Delivery	Section 106	22,172
Development & Delivery	High Street Innovation Fund	86,680
Development & Delivery	Enterprise Zone	9,475
Strategic Regeneration	Walsall Works	909,230
Planning & Building Control	Section 106 funds to be distributed 2013/14	716,288
Housing	Repossession grant	3,472
Housing	Navassa - Long term Investments	26,865
Housing	Transfer to project reserve	293,000
TOTAL AMOUNT TO BE TRANSFERRED TO EARMARKED RESERVES		2,077,182
NET AMOUNT TO BE TRANSFERRED TO EARMARKED RESERVES		580,571

- 1.4 Carry forwards are a means of recognising sound budget management by allowing the carry forward of planned revenue underspends and/or achieved revenue savings, excluding the use of windfalls/ unplanned underspends/savings. This is dependent on achievement of planned service delivery targets/ outcomes and a balanced position council wide at year end. Approval for under/overspend carry forwards rests with Cabinet, on the advice of the CFO. Total revenue carry forward requests of £161k are recommended for approval, and a brief description is provided below:

SERVICE	DETAIL	£
Development & Delivery	Markets - Work to be carried out in connection with relocation of Market	41,000
Housing	Homelessness Projects	43,100
Property	Works towards £579k savings for 13-14	55,000
Strategic Regeneration	ERDF Technical Assistance Programme / Black Country Gold Project	21,903
TOTAL		161,003

- 1.5 The main reasons for the underspend position for services within the remit of the Panel are as follows:

- Holding posts open to underspend against salary budgets
- Agency staff not used
- Lower lease release & supply & services costs

- Full analysis of the variances is shown in **Appendix 1**.

2 Capital Outturn 2012/13 – Regeneration Directorate

- 2.1 The capital outturn for 2012/13 for the schemes under the remit of this panel is an underspend against budget of **£9.676m**, of which £9.106m has been approved to be carried forward into 2013/14, resulting in a net underspend of **£0.570m**. **Table 3** provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 3 - Final Capital Outturn 2012/13					
Service Area	Annual Budget £	Final Outturn £	Year End Variance £	Carry Forward to 2013/14 £	Variance Net of Carry Forward £
<u>Council Funded Schemes</u>					
Housing	3,435,322	1,795,130	-1,640,192	1,141,248	-498,944
Property Services	4,256,708	3,732,859	-547,115	477,284	-69,831
Development & Delivery	1,943,516	838,211	-1,105,305	1,105,305	0
Smarter Workplace	1,227,920	802,661	-425,259	425,259	0
<u>Other (External Resources)</u>					
Housing	2,155,058	1,942,908	-212,150	212,150	0
Property Services	4,095	4,095	0	0	0
Development & Delivery	1,151,318	257,257	-894,061	894,061	0
Strategic regeneration	6,260,618	2,414,681	-3,845,937	3,845,020	-917
Smarter Workplace	4,280,411	3,274,561	-1,005,850	1,005,850	0
Total regeneration	24,714,966	15,062,364	-9,675,868	9,106,176	-569,692

APPENDIX 1

Analysis of reasons for variances		
SERVICE	REASON FOR VARIANCE	£
Development & Delivery - Markets	Underspend on salaries, agency staff not used, Supplies & Services/ running costs, and changes in contracted services.	-161,232
Development & Delivery	Underspend on salaries off set by under recovery of income.	-48,272
Strategic Regeneration	Underspend due to staff vacancies.	-21,520
Planning & Building Control	Various small variances within Planning	3,697
Housing	Underspend on salaries - Housing Standards and Improvement & Supported Housing	-67,202
Building Services	Higher centralised energy & maintenance costs offset by higher fee income	147,065
Facilities Management	Lower maintenance & staffing costs	-45,080
Cleaning, Caretaking, School Crossing Patrol	Rechargeable works undertaken using existing staffing	-51,336
Asset Management	Lower lease release & supply & services costs	-41,579
Design Project Management	Lower staff costs (vacancies) offset by lower fee income & higher consultant costs	-54,004
Regeneration Management	Bad debt provision and additional professional fees	29,765
TOTAL VARIANCE EXCLUDING CAPITAL ENTRIES		-309,700

APPENDIX 2 - Capital by Scheme

Mainstream (Council) Schemes	Annual Budget	Final Outturn	Year End Variance	Carry Forward to 2013/14	Variance Net of Carry Forward
	£	£	£	£	£
Housing					
Aids & adaptations	2,009,322	902,500	-1,106,822	775,402	-331,420
Health Through Warmth	1,000,000	497,642	-502,358	334,834	-167,524
Refurbishment and Improvement of remaining Housing Projects	426,000	394,988	-31,012	31,012	0
	3,435,322	1,795,130	-1,640,192	1,141,248	-498,944
Property Services					
Asbestos removal	155,000	167,001	12,001	0	12,001
Safe water supplies	275,000	314,688	39,688	0	39,688
Darlaston baths roof	92,970	82,191	-10,780	0	-10,780
Demolition of redundant buildings to save on rates	200,000	195,631	-4,369	4,369	0
Fire risk assessment	230,947	223,494	-7,453	7,453	0
Freer Street structural works	71,853	14,274	-57,579	57,579	0
Green Lane Hostel	78,971	78,560	-411	0	-411
Green Rivers	185,000	88,798	-96,202	96,202	0
New Council Depot - land exchange for the acquisition of additional land	1,624,842	1,624,841	-1	0	-1
Land at Pelsall Lane	130,000	0	-130,000	0	-130,000
Planned property maintenance	450,000	458,183	8,183	0	8,183
Relocation of Pest Control Store	39,750	39,750	0	0	0
Refurbishment of Leckie sons of rest in Walsall arboretum	23,266	23,266	0	0	0
Shop maintenance	120,000	54,022	-65,979	65,979	0
Work resulting from the statutory testing of building services	300,000	311,488	11,488	0	11,488
Walsall Council House	302,375	56,673	-245,702	245,702	0
	4,279,974	3,732,859	-547,115	477,284	-69,831
Development & Delivery					
Enabling works to Office development (Gigaport)	650,000	69,389	-580,611	580,611	0
New Homes Bonus	450,370	450,370	0	0	0
Regenerating Walsall	843,146	318,452	-524,694	524,694	0
	1,943,516	838,211	-1,105,305	1,105,305	0
Smarter Workplaces					
Investment in ICT Technology to support smarter workplaces	1,155,332	730,073	-425,259	425,259	0
Smarter Workplaces - ICT	72,588	72,588	0	0	0
					0
	1,227,920	802,661	-425,259	425,259	

REGENERATION COUNCIL FUNDED TOTAL	10,886,732	7,168,861	-3,717,871	3,149,096	-568,775
Other Resources (Externally Funded) Schemes	Annual Budget (£)	Final Outturn (£)	Year End Variance (£)	Carry Forward to 2013/14 (£)	Variance Net of Carry Forward (£)
Housing					
Contributions to Aids and Adaptations (mainstream)	18,710	18,710	0	0	0
Contributions to Health Through Warmth (mainstream)	110,555	110,555	0	0	0
Disabled facilities grant	1,682,420	1,682,420	0	0	0
Fuel Poverty Grant	336,880	124,730	-212,150	212,150	0
Kickstart	6,493	6,493	0	0	0
	2,155,058	1,942,908	-212,150	212,150	0
Property services					
Collingwood Centre Car Park	4,095	4,095	0	0	0
Development & Delivery					
Walsall Town Centre 'Way Finding Project'	800	800	0	0	0
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	775,259	133,962	-641,297	641,297	0
Willenhall THI – Visionary Investment Enhancing Walsall contribution	375,259	122,496	-252,763	252,763	0
	1,151,318	257,257	-894,061	894,061	0
Strategic regeneration					
Darlaston Strategic Development Authority	844,000	0	-844,000	844,000	0
Congestion Target Delivery Fund	31,858	31,858	0	0	0
Darlaston SDA - Moxley & Whitworth Close	12,131	2,438	-9,693	9,693	0
Darlaston SDA	2,875,000	323,439	-2,551,561	2,551,561	0
Darlaston SDA (Pre-works)	756,042	497,462	-258,580	258,580	0
Local Sustainable Transport Fund	251,000	76,572	-174,428	174,428	0
Local Transport Plan grant	1,257,721	1,250,963	-6,758	6,758	0
Red Routes	232,866	231,949	-917	0	-917
	6,260,618	2,414,681	-3,845,937	3,845,020	-917
Smarter Workplace					
Smarter Workplaces - Programme Manager	549,988	395,667	-154,321	154,321	0
Smarter Workplaces - Workplace Solutions	801,387	463,330	-338,057	338,057	0
Smarter Workplaces - Property (Prudential)	2,675,391	2,415,564	-259,827	259,827	0
Smarter Workplaces - ICT	253,645	0	-253,645	253,645	0
	4,280,411	3,274,561	-1,005,850	1,005,850	0
Total other Resources (Externally Funded) Schemes	13,851,500	7,893,502	-5,957,998	5,957,081	-917
Total Regeneration	24,738,232	15,062,364	-9,675,868	9,106,176	-569,692