

REGENERATION SCRUTINY AND PERFORMANCE PANEL

DATE: 26 July 2010

Agenda Item
No. 6

2009/10 FINAL BUDGETARY POSITION PRE-AUDIT

Ward(s) All

Portfolio:

Councillor Andrew– Regeneration
Councillor Ansell - Transportation

Summary of report

This report summarises the outturn revenue and capital position for the year ended 2009/10, subject to external audit, for services within the remit of the Regeneration Scrutiny and Performance Panel.

Recommendation

To note that the 2009/10 year end financial position for services under the remit of the Regeneration Scrutiny and Performance Panel, is a revenue variance (under spend) against budget of **£0.163m** (net of use of earmarked reserves/carry forwards), and a capital under spend of **£2.631m** (net of approved slippage into 2010/11).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout year
2009/10 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2009/10.

Signed:



Chief Finance Officer: **James T Walsh**

Executive Director: **Tim Johnson**

Date: 1 July 2010

Date: 16 July 2010

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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Revenue Outturn 2009/10 – Regeneration Directorate

- .1 The revenue outturn for 2009/10 for the services under the remit of the Regeneration Scrutiny and Performance Panel is an under spend against budget of **£0.164** (net of the use of earmarked reserves and a carry forward of central contingency funding). 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 - Final Revenue Outturn 2009/10

Service	Annual Budget £	Year End Actual £	Year End Variance £	Use of Reserves / Approved carry Forward £	Variance Net of Reserves (Under)/ Overspend £
<u>Regeneration</u>					
Strategic Regeneration	9,772,167	9,876,119	103,952	(137,450)	(33,498)
Development & Delivery	2,363,348	2,529,870	166,522	(164,968)	1,554
Planning Services	915,560	962,229	46,669	36,491	83,160
Property Services	4,842,904	4,784,639	(58,265)	(143,034)	(201,299)
Housing Services	5,231,111	5,441,693	210,582	(437,915)	(227,333)
Other Regeneration	599,002	746,970	147,968	65,967	213,935
Total Regeneration	23,724,092	24,341,520	617,428	(780,909)	(163,481)
New Deal for Communities	(34,216)	(34,216)	0		0
BSF	(6,081)	301,861	307,942	(308,182)	(240)
TOTAL REGENERATION	23,683,795	24,609,165	925,370	(1,089,091)	(163,721)

- .2 The budget for 2009/10 included approved savings of £0.65m. £0.512m (78.77%) of these were achieved. The reasons for non-achievement were £0.056m energy fee levy - Property services process not agreed in 09/10 and £0.082m posts in Planning not made redundant in year, action taken to ensure achievement in full in 2010/11 includes agreement reached and process set in place for energy levy collection and planning posts have been made redundant.
- .3 The outturn includes net use of and transfers to reserves of £1.09m where approval was given by Cabinet for additional funds for specific services, and also includes approved carry

forwards from 2009/10 to 2010/11 where applicable. **Table 2** provides a summary of these.

Table 2 - Analysis of 2009/10 Use of Earmarked Reserves		
Service	Amount £	Explanation
Carry Forwards from 2008/09	0	
Other Specific Reserves		
Strategic Regeneration	109,423	Use of LABGI earmarked reserve
	28,027	Shopmobility investment
Delivery & Development	133,194	Funding for Green Rivers
	31,774	Use of LABGI earmarked reserve
Planning Services	50,897	Funding pension and redundancy costs
	(87,388)	Building Control Reserved Funds
Property Services	72,166	Fire risk assessment and equal pay claim reserves
	79,818	Condition surveys and asset management project costs reserves
	3,050	Green Rivers Legal costs
	(12,000)	Carry forward into 2010/11 – Carbon reduction commitment
Housing	437,915	Funding pension and redundancy costs
Other Regeneration	72,374	Use of LABGI Earmarked reserve
	(138,341)	Creation of reserve for use 2010/11 NDC
Building Schools for the Future	308,182	redundancy costs
		Contribution to BSF programme
Total Use of Reserves	1,089,091	

- .4 The required carry forward of under spend of £12,000 relates to a central contingency approval to fund costs related to the carbon reduction commitment
- .5 The main reasons for the under spend position for services within the remit of the Panel are as follows:
- Decisions made early in the financial year to freeze non essential spend
 - Over achievement of expected fee income
 - Holding posts vacant to under spend against salary budgets
 - Full analysis of the variances is shown in **Appendix 1**.

Capital Outturn 2009/10 – Regeneration Directorate

- .1 The capital outturn for 2009/10 for the schemes under the remit of this panel is an under spend against budget of **£9.831m**, of which £7.2m has been approved to be slipped into 2010/11, resulting in a net underspend of **£2.631m**. **Table 3** overleaf provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 3 - Final Capital Outturn 2009/10

Service	Annual Budget £	Final Outturn £	Year End Variance £	Slippage to 2010/11 £	Variance Net of Slippage £
<u>Mainstream Resources</u>					
Strategic Regeneration	43,952	43,952			
Delivery & Development	2,319,313	1,316,824	(1,002,489)	1,002,490	
Property Services	3,557,000	2,100,691	(1,456,309)	1,449,802	(6,507)
Housing Services	3,012,226	2,589,402	(422,824)	422,824	()
Total Mainstream	8,932,491	6,050,869	(2,881,623)	2,875,115	(6,507)
<u>Unsupported Borrowing</u>					
Total Unsupported Borrowing					
<u>Non Mainstream Resources</u>					
Strategic Regeneration	7,961,439	4,489,234	(3,472,205)	848,266	(2,623,939)
Delivery & Development	696,164	212,868	(483,296)	482,295	(1,001)
Property Services					
Housing Services	7,346,572	4,352,249	(2,994,323)	2,994,323	
New Deal for Communities	2,782,000	2,782,000			
Total Non Mainstream	18,786,175	11,836,350	(6,949,824)	4,324,884	(2,624,940)
TOTAL REGENERATION	27,718,666	17,887,219	(9,831,447)	7,200,000	(2,631,447)

APPENDIX 1 - REASONS FOR REVENUE VARIATIONS - Regeneration Directorate

SERVICE	REASON / EXPLANATION FOR VARIANCE	VARIANCE £
<u>Property Services</u>		
Building Services - Redundant Buildings	Cost of rates, securities and maintenance	201,933
Building Services - Non school PMI	Non essential spend cutbacks to aid overall financial position	(322,121)
Facilities Management - Cleaning & Caretaking Client	Income shortfalls	191,866
Facilities Management - Curatorial	Vacancy underspends and additional income	(33,205)
Facilities - Management - Plant	Underspends from holding open vacant posts	(91,347)
Asset Management - Estates Management	Income shortfall due to reduced capital receipts	42,471
Asset Management - Unclassified land and buildings	Shortfall in rental income and markets	93,818
Asset Management - Shops	Under spends of £53k on R&M, £20k on rates, £10k on rents	(77,897)
Building Design	Additional fees generated	(249,679)
Procurement	Additional fees generated	(52,190)
Building Services - Central Contingency Fund	Carry forward of Carbon reduction commitment contingency funding	12,000
Property Services	Various other elements <=/- £25k	83,051
Total Property Services		(201,300)
<u>Regeneration</u>		
Markets	Over recovery of income	(34,282)

Regeneration Management	Over spend on salaries	19,471
Regeneration Management (New Deal redundancy costs - Council element)	Redundancy costs for New Deal	194,466
Planning	Redundancy and legal costs	79,192
Regeneration	Various other elements <=/- £25k	6,305
Total Regeneration		265,152
<u>Housing</u>		
Housing Standards & Improvements	Additional recharge to capital programme	(79,284)
Supported Housing	Additional Housing Benefit & accommodation service restructure savings and reduction in bad debt provision	(115,192)
Housing Strategy & Partnerships	Underspend on events, subscription & P&D	(32,857)
Housing	Various other elements <=/- £25k	
Total Housing		(227,333)
<u>Building Schools for the Future</u>		
Building Schools for the Future	Various other elements <=/- £25k	(240)
Total Building Schools for the Future		(240)
TOTAL VARIANCE		(163,721)

Appendix 2 - Capital Outturn 2009/10

MAINSTREAM SCHEMES	Annual Budget	2009-10 Total spend	Variance	Slippage to 2010/11	Over/ (underspend)
Strategic Regeneration					
Brownhills Market Stalls	41,120	41,120			
Black Country Route Bentley Lane	2,832	2,832			
Total Strategic Regeneration	43,952	43,952			
Delivery & Development	201,673				
Environmental Regeneration	201,673	68,924	(132,749)	132,750	
Strategic Corridors & Gateways	183,675	58,065	(125,610)	125,610	
Town District & Local Centres	881,614	752,512	(129,102)	129,102	
Regenerating Walsall	852,779	437,323	(415,456)	415,456	
Relocation of Pleck Boxing Club	199,572		(199,572)	199,572	
Total Delivery & Development	2,319,313	1,316,824	(1,002,489)	1,002,490	
Property Services					
Asbestos Removal	155,000	195,187	40,187		40,187
Boiler works at Willenhall Library	57,339	59,698	2,359		2,359
Civic Building Air Conditioning replacement	400,000	40,400	(359,600)	359,600	
Heating replacement at the Collingwood Centre	22,661	16,266	(6,395)		(6,395)
North Walsall Depot fees	20,000				
Planned Property Maintenance	500,000	549,128	49,128		49,128
Rewire of Willenhall Leisure Centre	57,000	49,059	(7,941)	1,090	(6,851)
Safe Water Supplies	275,000	310,271	35,271		35,271
Statutory Testing of Mechanical and Electrical supplies	300,000	173,377	(126,623)		(126,623)
Demolition of Redundant buildings	200,000	209,444	9,444		9,444
Prov'n of alternative accommodation to release leased premises	900,000	16,583	(883,418)	883,417	(1)
Rewire of Gala Baths	300,000	96,867	(203,133)	203,133	
Shop Maintenance	120,000	116,974	(3,026)		(3,026)
Structural Repairs to the Central library	250,000	247,438	(2,562)	2,562	
Total Property Services	3,557,000	2,100,691	(1,456,309)	1,449,802	(6,507)
Housing Services					
Aids & Adaptations	2,783,602	2,360,778	(422,824)	422,824	(0)
Willenhall Lane travellers Site - phase 3	228,624	228,624			
	3,012,226	2,589,402	(422,824)	422,824	0
Mainstream schemes	8,932,491	6,050,869	(2,881,623)	2,875,115	(6,507)

NON MAINSTREAM SCHEMES	Annual Budget	2009-10 Total spend	Variance	Slippage to 2010/11	Over/ (underspend)
Strategic Regeneration					
Bus Showcase	2,500,000	906,897	(1,593,103)		(1,593,103)
LTP Darlaston project development	150,000	150,000			
LTP Grant (ITP)	4,164,439	3,316,173	(848,266)	848,266	
Red Routes	1,147,000	116,164	(1,030,836)		(1,030,836)
Total Strategic Regeneration	7,961,439	4,489,234	(3,472,205)	848,266	(2,623,939)
Delivery & Development					
Bridge street/Ablewell Street THI - AWM	303,173	111,249	(191,924)	191,924	
Bridge street/Ablewell Street THI - HLF	376,243	85,873	(290,370)	290,371	1
Smith & Thomas House	16,748	15,746	(1,002)		(1,002)
Total Delivery & Development	696,164	212,868	(483,296)	482,295	(1,001)
Property Services					
Total Property Services					
Housing Services					
Aids & Adaptations	923,700		(923,700)	923,700	
Disabled Facilities Grant	1,215,000	1,215,000			
Private Sector renovation Grants	1,018,848	578,568	(440,280)	440,280	
RHP - area specific housing/regen master plan	60,000		(60,000)	60,000	
RHP - Birchills master plan	60,000		(60,000)	60,000	
RHP - Birchills property improvement	1,117,300	956,517	(160,783)	160,783	
RHP - Darlaston (Pinfold Street)	9,952	9,952			
RHP - Goscote estate purchases	279,028	135,510	(143,518)	143,518	
RHP - Health through warmth	1,629,609	897,397	(732,212)	732,212	
RHP - Kickstart	315,126	141,957	(173,169)	173,169	
RHP - Private family home safety initiative	35,000		(35,000)	35,000	
RHP - renewable energy hard to improve units	100,000		(100,000)	100,000	
RHP - Moxley purchase properties	20,000		(20,000)	20,000	
RHP - Minor works	50,000		(50,000)	50,000	
RHP - Darlaston Strategy Project support	16,000	9,460	(6,540)	6,540	
RHP - empty properties	30,000		(30,000)	30,000	
Strategic housing land association (SHLA) (RHP)	60,000	46,317	(13,683)	13,683	
Walsall waterfront south - New Growth Points	250,000	250,000			
Willenhall Lane Caravan site - RHP	157,008	111,570	(45,438)	45,438	
Total Housing Services	7,346,572	4,352,249	(2,994,323)	2,994,323	
New Deal for Communities					
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	2,782,000	2,782,000			
Non Mainstream schemes	18,786,175	11,836,350	(6,949,824)	4,324,884	(2,624,940)