

29 August 2019

Pre-Audit Financial Outturn 2018/19

Ward(s) All

Portfolios: All - specifically in relation to Resources and Transformation -
Cllr M Bird – Leader of the Council
Cllr A Andrew – Regeneration (Money Home Job)
Cllr G Perry – Community Leisure and Culture (Partnerships)
Cllr B Chatta – Personnel and Business Support

Executive Summary:

This report summarises the pre-audit outturn for both revenue and capital for 2018/19, both for the council as a whole, and for services within the remit of the Scrutiny Overview committee in relation to the Resources and Transformation directorate, as reported in the Pre-audit Outturn report to Cabinet on 19 June 2019.

The overall net revenue pre-audit outturn for the council as a whole is £114.55m against a budget of £114.99m, an underspend variance of £0.44m (0.07% of gross expenditure) net of carry forwards of £0.50m. Resources and Transformation net revenue pre-audit outturn is an underspend of £1.33m against a net budget of £22.22m.

The pre-audit capital outturn for the council as a whole is a net underspend of £3.53m, net of council funded carry forwards of £13.96m. The capital underspend will be used to support the 2019/20 capital programme approved by Council in February 2019. For Resources and Transformation, the net capital pre-audit outturn position was an underspend of £0.50m, net of carry forwards of £8.12m to be utilised in 2019/20.

Reason for scrutiny:

To inform the committee of the pre-audit financial position for 2018/19, to allow the scrutiny of the financial performance of the council and the services within the committee's remit.

Recommendations:

That:

1. The committee is recommended to note the pre-audit outturn 2018/19 for the council as a whole – a revenue underspend of £0.44m and net capital underspend of £3.53m net of council funded carry forwards into 2019/20. The capital underspend will be used to support the 2019/20 capital programme approved by Council in February 2019.
2. The committee is recommended to note the pre-audit outturn 2018/19 for services within the remit of this committee in relation to Resources & Transformation – a revenue underspend of £1.33m and capital underspend of £0.50m net of carry forwards.

Background papers:

- Various financial working papers.
- Corporate Budget Plan 2017/18 to 2020/21, and Treasury Management and Investment Strategy 2018/19 Onwards, as reported to Council on 28 February 2018.
- Pre-Audit Outturn 2018/19, as reported to Cabinet on 19 June 2019.

Resource and legal considerations:

The 2018/19 budget was approved by Council on 28 February 2018, and is monitored and reported throughout the year to address key risks and pressures as they arise. Cabinet receives regular financial reports to allow it to oversee the financial performance of the council.

Council wide position

A number of significant risks and pressures emerged during 2018/19 that required action to be taken to limit the council's exposure, mainly within Adult Social Care and Children's Services. These were managed via a combination of one-off actions (use of earmarked reserves, use of one-off grant, Every Penny Counts exercise) and ongoing actions (review of existing budgets and realignments where feasible). After corrective action the council as a whole reported an underspend of £0.44m net of carry forwards of £0.50m, as reported to Cabinet on 19 June 2019, with the detail shown at **Appendix 1**. Significant investment has been included within the 2019/20 budget to manage the identified demand pressures within Adult Social Care and Looked after Children.

The capital pre-audit outturn 2018/19 is an underspend of £3.53m for the council as a whole, net of council funded carry forwards of £13.96m. The capital underspend has been utilised to part fund the 2019/20 capital programme. Summary provided at **Appendix 1**, with details by scheme at **Appendix 2 & 3**.

Position for services within the remit of this committee

The revenue pre-audit outturn position for the Resources and Transformation Directorate, is an underspend of £1.33m against budget, net of the use of reserves and agreed carry forward.

Further details are shown in **Appendix 4**.

The total capital programme is £21.28m. The capital pre-audit outturn position is expenditure of £12.66m, leaving an underspend of £8.62m of which £8.12m will be carried forward into 2019/20, leaving an adjusted net underspend of £0.50m.

Further details are shown in **Appendix 2 & 3**.

Council Corporate Plan Priorities:

In order to meet the council's purpose and vision, the council will be focussing its' energy over the next four years on the following key priorities, recognising that it must do so with decreased and decreasing resources and concentrating efforts on those most in need:

- **Economic growth** for all people, communities and businesses.
- **People** have increased independence, improved health and can positively contribute to their communities.
- **Internal Focus** – all council services are efficient and effective.
- **Children** have the best possible start and are safe from harm, happy, healthy and learning well.
- **Communities** are prospering and resilient with all housing needs met in safe and healthy places that build a strong sense of belonging and cohesion.

Citizen impact:

Resource allocation is aligned with service activity and is undertaken in accordance with the council's corporate plan priorities.

Environmental impact:

The impact on the environment is considered in all aspects of financial forecasting.

Performance management:

Financial performance is considered alongside service performance. Managers are required to deliver their services within budget and there are comprehensive arrangements in place to monitor and manage this.

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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Pre-Audit Outturn 2018/19 – Walsall Council

Revenue

The council wide pre-audit revenue outturn is an underspend of £0.44m, net of approved carry forwards, and summarised by directorate in **Table 1** below.

Table 1: Pre-audit revenue outturn 2018/19 by Directorate			
Directorate	Net Budget £m	Year end forecast £m	Forecast Variation to Budget (Under) / Over £m
Adult Social Care	63.56	63.81	0.25
Children's Services	70.67	71.68	1.01
Economy & Environment	61.91	61.98	0.07
Resources & Transformation	22.22	20.89	(1.33)
Capital Financing / Central	(103.37)	(103.81)	(0.44)
Total council tax requirement	114.99	114.55	(0.44)

A robust risk assessment of the 2018/19 budget was undertaken prior to the budget being set in February 2018. Action was taken corporately in year to address ongoing demand and cost pressures with services, mainly within Children's Services and Adult Social Care. Significant investment has been included within the 2019/20 budget to manage the identified demand pressures within Adult Social Care and Looked after Children.

The 2018/19 budget included £12.43m of savings / cost reductions and efficiencies. Of these, 72.7% or £9.04m were achieved, with 27.3% or £3.39m classed as 'red' where they have not been delivered in full, requiring alternate action in year. Action to address the ongoing implications of these savings will be taken in 2019/20, alongside the tracking of the 2019/20 approved savings.

Revenue carry forwards from 2018/19 to 2019/20

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, in accordance with the council's approved carry forward protocol. Carry forwards are usually allowed only where the council has outturned on or under budget, and are deemed to be planned for specific purposes.

Total revenue carry forward requests of £0.50m were approved by Cabinet on 19 June 2019, as shown in **Table 2**. These are included in the outturn position shown in table 1 above.

Table 2: Revenue carry forwards from 2018/19 to 2019/20	
Use of carry forward	Carry forward £
Resources and Transformation	
Council Wide – Internal Audit – completion of 2018/19 audit plan	43,530
Housing standards and Improvement – to support fixed term staffing costs to ensure an increase in housing enforcement to maximise income	71,233
Money Home Job – to fund delay in achievement of approved 2019/20 saving for reorganisation of the service	382,242
Approved revenue carry forwards	497,005

Capital

Table 3 summarises the pre-audit 2018/19 capital programme and the re-phasing of projects into 2019/20. The pre-audit position is split between council funded schemes and external funded schemes, full details by scheme are shown in **Appendix 2 and 3**.

Table 3: Capital Outturn 2018/19					
Directorate	Budget £m	Predicted year end forecast £m	Variance before Carry forward £m	Carry Forward £m	Variance Over / (Under) £m
Council funded	39.84	22.35	(17.50)	13.96	(3.53)
Externally Funded	66.25	33.50	(32.75)	32.75	0
Total	106.09	55.85	(50.24)	46.71	(3.53)

In year reprofiling, leading to carry forwards into the following year, is a routine and normal practice. Capital carry forward is defined as a means to carry capital resources from one year to another to cover identifiable commitments that have moved from one year to another, or for where a project spans more than one year. In any large organisation dealing with construction projects, procurement regulations, etc, a level of carry forward is expected and built into resourcing assumptions. It is recognised that capital projects can cross over years and it is often difficult to be accurate in the estimation of which year the expenditure will be incurred.

As shown in **Table 3**, 65% or £32.75m of the total relate to grant funded schemes. Of these, £22.02m relates to schools/children's, £7.57m to major regeneration schemes, £0.65m for leisure / parks schemes, £1.92m to transport / highways schemes, and £0.59m for other schemes. These schemes tend to require carry forward due to the timing of the receipt of the grant versus the actual spend, which in school's is often during the summer of the next financial year.

Appendix 2 – Pre-audit Capital Outturn by Scheme 2018/19 – council funded schemes

COUNCIL FUNDED SCHEMES	2018/19 Budget £	2018/19 Outturn £	Variance £	Carry forward to 2019/20 £	(Underspend)/ overspend £
CHILDREN'S SERVICES					
Looked after children out of borough placements	140,000	0	(140,000)	140,000	0
2 year old (RCCO)	117,382	117,382	(0)	0	0
Corporate Parenting, Contract & Assessment Hub	697,571	331,548	(366,023)	32,804	(333,219)
Education Health & Care Hub	70,000	70,000	0	0	0
Pinfold Centre	684,630	0	(684,630)	0	(684,630)
PRU Places Provision (RCCO)	40,000	40,000	0	0	0
Rushall Primary/EDC alterations	9,232	9,232	0	0	0
Schools capital using DFG	1,449,754	1,449,754	0	0	0
CHILDREN'S SERVICES COUNCIL FUNDED TOTAL	3,208,569	2,017,915	(1,190,653)	172,804	(1,017,850)
ECONOMY & ENVIRONMENT					
Arboretum Events Field-drainage scheme (RCCO)	99,928	98,495	(1,433)	1,433	0
Broadway West Playing Fields (Council)	92,000	0	(92,000)	92,000	0
Clayhanger Playing Fields	58,000	4,287	(53,713)	53,713	0
Methane Trench Repairs-Kings Hill Park	15,000	14,975	(25)	0	(25)
Open Water	64,650	65,006	356	0	356
St Peter Church repairs to surrounding wall	25,000	569	(24,431)	24,431	0
Walsall Arboretum Car Park	9,106	0	(9,106)	9,106	0
Walsall Arboretum Restoration Programme – illuminated park proposals	5,242	0	(5,242)	5,242	0
Willenhall Memorial Park	13,546	7,378	(6,168)	6,168	0
Fryers Road sprinkler system	14,675	14,675	0	0	0
Headstone safety in Cemeteries (RCCO)	48,759	48,759	0	0	0
Bloxwich Active Living Centre-Interactive Aquatics Play	30,000	30,000	0	0	0
Darlaston Swimming Pool	150,000	150,000	0	0	0
Leisure Management System	17,970	21,630	3,660	0	3,660

COUNCIL FUNDED SCHEMES	2018/19 Budget £	2018/19 Outturn £	Variance £	Carry forward to 2019/20 £	(Underspend)/ overspend £
Mobile Technology Implementation for Building Control	11,500	9,473	(2,027)	0	(2,027)
Oak Park-Artificial Grass Pitch	150,000	7,610	(142,390)	142,390	0
Oil Tank above Gala Baths	30,876	30,876	0	0	0
Library Redesign - Lichfield Street Hub	4,364,974	4,221,266	(143,708)	143,708	0
Open Plus in Libraries	397,000	125,304	(271,696)	271,696	0
Single Library Management System	93,775	38,865	(54,910)	54,910	0
18/19 Pothole Grant Council Funded Allocation	261,690	261,690	0	0	0
Community Dropped Crossings	21,215	21,687	472	0	472
District Town Centre's Public Realm Improvements	4,000,000	1,594,670	(2,405,330)	2,405,330	0
Highways maintenance	2,844,593	2,796,594	(47,999)	47,999	0
Replacement dev management, building control & land charge ICT system	29,792	29,792	0	0	0
Hatherton Road Car Park	264,114	9,021	(255,093)	255,093	0
Migration of Urban Traffic control analogue comm network	185,000	182,979	(2,021)	0	(2,021)
Promotion of Community Health & Safety	120,000	0	(120,000)	120,000	0
Replacement of obsolete analogue weather stations	40,000	0	(40,000)	30,000	(10,000)
Replacement of obsolete traffic signal control equipment	200,000	198,678	(1,322)	0	(1,322)
Replacement of speed enforcement camera	175,000	0	(175,000)	175,000	0
Challenge Block	33,000	18,332	(14,668)	14,668	0
New Homes Bonus	204,093	0	(204,093)	204,093	0
Regenerating Walsall	233,877	0	(233,877)	233,877	0
Rushall Olympic Football Club	5,833	0	(5,833)	5,833	0
Shop maintenance	7,274	7,274	0	0	0
Town and District Centres Public Realm	870,500	0	(870,500)	770,500	(100,000)
Walsall Market	1,877,496	9,484	(1,868,012)	40,516	(1,827,496)
DSDA	168,584	40,309	(128,275)	44,275	(84,000)
Town and District Centres Public Realm	229,500	0	(229,500)	229,500	0
Active Living - Bloxwich (PWLb)	762	762	0	0	0

COUNCIL FUNDED SCHEMES	2018/19 Budget £	2018/19 Outturn £	Variance £	Carry forward to 2019/20 £	(Underspend)/ overspend £
Active Living - Oak Park (PWLb)	176,574	176,574	0	0	0
Holmans Strategic Land Acquisition	515,716	515,716	0	0	0
Primark & Co-op development	1,640	0	(1,640)	1,640	0
Saddlers Centre Shopping Centre	559,869	91,425	(468,444)	468,444	0
Acquisition of Reservoir Place	(769,558)	(769,558)	0	0	0
ECONOMY & ENVIRONMENT COUNCIL FUNDED TOTAL	17,948,564	10,074,597	(7,873,967)	5,851,565	(2,022,402)
RESOURCES AND TRANSFORMATION					
Bentley Community Facility	10,000	0	(10,000)	10,000	0
CCTV	255,999	137,488	(118,511)	118,511	0
CCTV (Enviro Crime)	40,000	40,000	0	0	0
Improving security in local neighbourhoods	2,927	0	(2,927)	2,927	0
Refurbishment of Orchard Pavilion	210,000	61,650	(148,350)	148,350	0
Procurement system for (HRMS) and Oracle EBS financials	2,759,854	1,842,383	(917,471)	917,471	0
Uninsured Property Damage	38,453	38,453	0	0	0
Aids and adaptations (statutory element)	434,089	434,175	86	0	86
Health through warmth and related Retro Fit schemes	3,428	3,428	0	0	0
HR Trent upgrades	7,229	7,065	(164)	0	(164)
IT Trent Upgrade 2016	26,806	25,738	(1,069)	0	(1,069)
2018/19 Digital mailroom	113,306	113,306	0	0	0
Data backup system replacement	50,000	0	(50,000)	50,000	0
Data Centre Power Backup	309,220	2,490	(306,730)	266,730	(40,000)
Essential Microsoft upgrades & foundation for Office 365	274,336	0	(274,336)	274,336	0
Essential refurbishment Council's digital data storage facilities	100,000	58,412	(41,588)	41,588	0
Essential upgrade to current supported version of windows server	64,070	53,690	(10,381)	10,381	0
Essential warranty extension & eventual replacement of hardware for Council's finance system	16,325	0	(16,325)	16,325	0
ICT-Safe and Secure Environment	7,374,081	4,584,632	(2,789,449)	2,789,449	0

COUNCIL FUNDED SCHEMES	2018/19 Budget £	2018/19 Outturn £	Variance £	Carry forward to 2019/20 £	(Underspend)/ overspend £
ICT Wide Area Network	283,661	241,199	(42,462)	12,462	(30,000)
Payment Card Industry Data Security	6,140	0	(6,140)	0	(6,140)
Finance Direct/Oracle	11,382	11,813	431	0	431
Replace Open Software Local Government Online	10,000	0	(10,000)	0	(10,000)
Single mobile devices for use within the new in-Tune platform	51,000	51,000	(0)	0	0
Transformation Programme	455,000	0	(455,000)	455,000	0
Asbestos Removal	94,043	94,043	0	0	0
Council House Cellar Tanking	50,000	6,276	(43,724)	0	(43,724)
Council House Drainage Survey	18,300	3,436	(14,864)	0	(14,864)
Planned property maintenance	35,659	35,659	0	0	0
Replace heating & ventilation system within link block	83,021	77,840	(5,181)	0	(5,181)
Safe water supplies	109,617	109,617	0	0	0
Solar PV panels	142,863	0	(142,863)	0	(142,863)
Statutory Testing	231,866	231,866	0	0	0
Civic Centre essential maintenance	13,526	13,526	0	0	0
Civic Centre heating	1,199,818	53,172	(1,146,646)	1,146,646	0
Community Association Refurbishments	77,958	18,240	(59,718)	59,718	0
Council House BMS	70,000	0	(70,000)	68,296	(1,704)
Council House Rewiring	999,909	16,367	(983,542)	983,542	0
Darlaston Town Hall- asbestos & fire safety works	99,900	41,500	(58,400)	18,400	(40,000)
Fire Risk Assessment	278,815	279,625	810	0	810
High Level Parapet Wall- Sneyd Vernon Way	94,350	91,693	(2,657)		(2,657)
Schools project	483,235	204,230	(279,005)	244,005	(35,000)
Walsall Council House modern secure reception	106,000	450	(105,550)	44,550	(61,000)
Willenhall Lane Travellers Site	85,000	0	(85,000)	85,000	0
Walsall Town Hall-roofing repair system	61,500	0	(61,500)	0	(61,500)
Money home job core IT system	45,651	45,651	0	0	0

COUNCIL FUNDED SCHEMES	2018/19 Budget £	2018/19 Outturn £	Variance £	Carry forward to 2019/20 £	(Underspend)/ overspend £
Capital Contingency	51,415	0	(51,415)	51,415	0
RESOURCES AND TRANSFORMATION COUNCIL FUNDED TOTAL	17,339,752	9,030,113	(8,309,641)	7,815,102	(494,539)
ADULT SOCIAL CARE					
Mosaic Implementation (Phase 3)	569,930	520,854	(49,076)	49,076	0
Mosaic Mobile Working	774,241	702,406	(71,835)	71,835	0
ADULT SOCIAL CARE COUNCIL FUNDED TOTAL	1,344,171	1,223,260	(120,911)	120,911	0
TOTAL COUNCIL FUNDED SCHEMES	39,841,056	22,345,885	(17,495,172)	13,960,382	(3,534,791)

Appendix 3 – Pre-audit Capital Outturn by Scheme 2018/19 – externally funded schemes

EXTERNALLY FUNDED SCHEMES	2018/19 Budget £	2018/19 Outturn £	Variance £	Carry forward to 2019/20 £	(Underspend)/ overspend £
CHILDREN'S SERVICES					
Academies	407,438	0	(407,438)	407,438	0
Basic need	23,316,482	5,243,814	(18,072,668)	18,072,668	0
Capital maintenance	2,277,272	1,228,311	(1,048,961)	1,048,961	0
Devolved formula capital	2,523,363	661,406	(1,861,957)	1,861,957	0
Early Year - Reedswood Academy	168,796	168,796	0	0	0
Healthy Pupils Capital Fund	203,185	0	(203,185)	203,185	0
Section 106	205,926	106,199	(99,727)	99,727	0
Special Provision Fund	319,229	0	(319,229)	319,229	0
Universal infant free school meals	13,766	4,156	(9,610)	9,610	0
CHILDREN'S SERVICES EXTERNALLY FUNDED TOTAL	29,435,457	7,412,682	(22,022,775)	22,022,775	0
ECONOMY & ENVIRONMENT					
Allotment Improvement Programme External	10,792	10,792	0	0	0
Broadway West Playing Fields (External)	150,000	0	(150,000)	150,000	0
Clayhanger Playing Fields	38,000	38,000	0	0	0
Palfrey Park	5,494	5,494	0	0	0
Reeds, Wood & Water Project	58,283	53,117	(5,166)	5,166	0
Rethinking Parks (Connecting Walsall Green Spaces)	119,000	0	(119,000)	119,000	0
Walsall arboretum restoration programme (PRU)	146,671	73,064	(73,607)	73,607	0
Willenhall Memorial Park - Artwork	1,200	1,200	0	0	0
Willenhall Memorial Park Heritage & Habitats	31,215	31,215	0	0	0
Waste infrastructure capital grant	226,980	0	(226,980)	226,980	0
Active Living Bloxwich (Grant)	104,486	104,486	0	0	0
Active Living Oak Park (Grant)	52,717	52,717	0	0	0
Oak Park – Artificial Grass Pitch	300,000	0	(300,000)	300,000	0

EXTERNALLY FUNDED SCHEMES	2018/19 Budget £	2018/19 Outturn £	Variance £	Carry forward to 2019/20 £	(Underspend)/ overspend £
Additional DfT Road / Bridge Maintenance Allocation	1,071,000	1,071,000	0	0	0
Additional Highway Maintenance pothole funding	391,428	391,428	0	0	0
Development of Highways Asset Management Plan (HAMPS)	29,642	20,040	(9,602)	9,602	0
LTP including bridge strengthening 2010/11	200,000	167,637	(32,363)	32,363	0
LTP Yorks Bridge	159,434	159,434	0	0	0
Network Rail Scheme-Level Crossing	121,720	51,105	(70,615)	70,615	0
Pedestrian Crossing Leighswood Road	38,968	38,968	0	0	0
Pedestrian Crossing on Northgate	11,379	0	(11,379)	11,379	0
Capital Block DfT Fund	2,365,669	1,387,400	(978,269)	978,269	0
Growth Deal	22,775,086	15,875,056	(6,900,030)	6,900,030	0
Goscote (Open Space Works)	31,655	31,655	(0)	0	0
Regenerating Walsall - Private Contributions	8,746	0	(8,746)	8,746	0
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	2,160	2,160	(0)	0	0
M6 Junction 10 Highway Improvements	141,526	0	(141,526)	141,526	0
National Productivity Investment Fund	1,689,300	1,028,785	(660,515)	660,515	0
West Midlands Strategic Transport Plan (STP) 'Movement for Growth'	1,786,396	1,107,085	(679,311)	679,311	0
ECONOMY & ENVIRONMENT EXTERNALLY FUNDED TOTAL	32,068,947	21,701,838	(10,367,109)	10,367,109	0
RESOURCES AND TRANSFORMATION					
Disabled facilities grant	3,514,415	3,514,415	0	0	0
Off Gas Scheme	430,602	122,832	(307,771)	307,771	
RESOURCES AND TRANSFORMATION EXTERNALLY FUNDED TOTAL	3,945,017	3,637,247	(307,771)	307,771	0
ADULT SOCIAL CARE					
Integrated Community Equipment	750,000	750,083	0	0	0
Better Care Fund Community Capacity Grant	51,990	0	(51,990)	51,990	0
ADULT SOCIAL CARE EXTERNALLY FUNDED TOTAL	801,990	750,000	(51,990)	51,990	0
TOTAL EXTERNALLY FUNDED SCHEMES	66,251,411	33,501,767	(32,749,645)	32,749,645	0

Pre-Audit Outturn 2018/19 – Resources and Transformation

Revenue

The 2018/19 pre-audit revenue outturn for Resources and Transformation is an underspend of £1.83m. Following the review of carry forwards submitted, it was recommended to Cabinet on 19 June 2019 for £0.50m to be approved (as above), resulting in a revised underspend of £1.33m for the directorate.

Table 4: Pre-audit revenue outturn 2018/19				
Service Area	Annual Net Budget £m	Outturn £m	Approved carry forwards £m	Variance to Budget after carry forwards (Under) / Over £m
Communities & Partnership	3.15	3.06	0	(0.09)
Housing Standards & Improvements	1.07	1.00	0.07	0
Integrated Facilities Management	7.00	7.65	0	0.65
Money Home Job	6.75	5.04	0.38	(1.33)
Total Business Change	17.97	16.75	0.45	(0.77)
Democratic Services	1.55	1.54	0	(0.01)
Electoral Services	0.76	0.87	0	0.11
Legal	0.10	0.04	0	(0.06)
Total Legal & Democratic Services	2.41	2.45	0	0.04
Human Resources	0.38	0.10	0	(0.28)
Total Human Resources	0.38	0.10	0	(0.28)
Finance	1.30	1.11	0.04	(0.14)
Payroll & Pensions	(0.01)	(0.03)	0	(0.02)
Information, Communication and Technologies	0.20	(0.01)	0	(0.21)
Procurement	(0.01)	0.02	0	0.04
Total Finance / ICT	1.47	1.09	0.04	(0.33)
Total Resources and Transformation	22.22	20.39	0.50	(1.33)

The main variances are summarised in **Table 5** below.

Table 5 – Reasons for revenue outturn variance		
Service	Variance £m	Explanation of Year End Outturn
Communities & Partnership	(0.09)	Holding posts vacant ahead of restructure
Democratic Services	(0.01)	Small variances across staffing budgets
Electoral Services	0.11	£0.039m pressure relating to salaries, and £0.024m reduction in canvas grant. £0.050m further overspends on postage and other supplies and services
Finance	(0.14)	(£0.058m) underspend on salaries, additional income achieved of (£0.083m)
Payroll & Pensions	(0.02)	Additional traded schools income achieved
Housing Standards & Improvements	0	No variance
Human Resources	(0.28)	Additional traded income of (£0.281m), small saving on employee costs offset by additional supplies and services costs
Information, Communication and Technologies	(0.21)	Underspend relating to reduced outwork on print and design, increased traded income from schools and corporate assurance staffing underspend.
Integrated Facilities Management	0.65	Overspend relating to centralised maintenance, and cleaning, partly offset by staffing and other underspends within service
Legal	(0.06)	Salary savings due to vacancies, part offset by agency staff costs
Money Home Job	(1.33)	(£1.008m) overpayment recovery income, (£0.392m) overachievement of court cost income, (£0.445m) re Housing Benefit Subsidy, (£0.268m) underspend across housing and (£0.144m) reduction of recovery costs. Part offset by £0.175m agency costs, £0.169m overspend on IT system costs, £0.158m movement in overpayment debtor and £0.046m across various non pay elements. £0.382m agreed to be carried forward into 2019/20
Procurement	0.04	Staffing cost pressure due to temporary staff working on delayed Adult Social Care and Highways procurement
Resources & Transformation outturn	(1.33)	

Included within the directorate budget for 2018/19 are £1.15m of approved savings, as shown in **table 6** below –

Table 6: Delivery of 2018/19 approved savings – Resources and Transformation					
Saving	Total savings	Delivered (Blue)	To be delivered by 31/03/19 (Green)	Not fully guaranteed (Amber)	Not achieved (Red)
Charging for Appointeeships	15,000	15,000			
Reduction in grant to Citizens Advice Bureau	57,458				57,458
Increase in income by the Insurance team	26,313	26,313			
Review and restructure in Finance and Financial Administration	65,472	65,472			
Review of staffing in Legal Services	31,612	31,612			
Restructure / efficiencies within Human Resources	101,470	31,470			70,000
Review of HR contracts - full year effect of 2017/18 approved savings	5,250	5,250			
Efficiency savings within ICT	60,321	60,321			
Efficiency savings across Procurement	8,783	8,783			
Review & efficiencies across Money Home Job	300,000	300,000			
Dividend review - Birmingham Airport - full year effect of 2017/18 approved savings	304,453	100,297			204,156
Treasury management - review of debt portfolio - full year effect of 2017/18 approved savings	173,855	173,855			
Total approved savings	1,149,987	818,373	0	0	331,614

These savings are tracked as follows –

- Blue (delivered) - **£0.82m**
- Red (not achieved) - **£0.33m**
 - £0.06m** – agreement made to delay the reduction in funding to CAB to help support their change in practices. Saving total has been found from within welfare rights budgets in Money Home Job in 2018/19.
 - £0.07m** - agreed to defer the full £0.10m efficiencies within Human Resources to 2019/20 due to support required during the change process, part mitigated by a one off carry forward of £0.07m from 2017/18, with the balance found within service.
 - £0.20m** – offset from over delivery of investment income within Capital Financing.

Capital

The net capital pre-audit outturn position for the Resources and Transformation directorate was an underspend of £0.50m, net of carry forwards of £8.12m to be utilised in 2019/20. A list of schemes is shown in **Appendix 2 & 3**.