

**COMMUNITY SERVICES AND ENVIRONMENT
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No. 5**

30 JULY 2013

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

Ward(s) All

Portfolio:

Councillor Z Ali – Public Protection
Councillor M Arif – Environment
Councillor A Andrew – Regeneration and Transport
Councillor A Harris – Leisure and Culture
Councillor I Shires – Community Engagement and Voluntary Sector

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 Community Services and Environment Scrutiny and Performance Panel.

Recommendation

To note that the draft 2012/13 year end financial position for services under the remit of the Community Services and Environment Scrutiny and Performance Panel, is a revenue underspend of **£587k** against budget of **£61.246m** (net of use of earmarked reserves/ carry forwards), and a capital underspend of **£334k** (net of approved carry forward into 2013/14).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout 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:



Chief Finance Officer: James T Walsh

Date: 3 June 2013



Executive Director: Jamie Morris

Date: 3 June 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

- 1.1 The draft revenue outturn for 2012/13 for the services under the remit of the Community Services and Environment Scrutiny and Performance Panel is an underspend against budget of **£0.587m** (net of the use of earmarked reserves / requested 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 £
Engineering & Transportation	18,480,037	16,919,705	(1,560,332)	1,614,806	54,474
Regulatory Services	2,942,897	2,847,728	(95,169)	25,610	(69,559)
Street Pride	21,248,765	21,491,518	242,753	(403,029)	(160,276)
Strategic Transportation	114,845	111,400	(3,445)	0	(3,445)
Leisure & Community Health	9,148,430	8,904,126	(244,304)	(173,214)	(417,518)
Libraries, Heritage & Arts	5,803,772	5,707,422	(96,350)	18,319	(78,031)
Walsall Adult and Community College	399,045	696,170	297,125	(297,125)	0
Communities & Partnership	3,108,241	4,056,604	948,363	(1,100,728)	(152,365)
	61,246,032	60,734,673	(511,359)	(315,361)	(826,720)
Proposed carry forwards from 2012/13 to 2013/14					239,702
Adjusted estimated outturn					(587,018)

- 1.2 The budget for 2012/13 included approved savings of £1.281m, which were achieved.
- 1.3 The outturn includes net use of and transfers to reserves of £315,361 where approval was given by Cabinet for additional funds for specific services. **Table 2** provides a summary of these.

Table 2 - Analysis of 2012/13 Use of Earmarked Reserves/Carry Forwards		
Service	Amount £	Explanation
Use of Specific Reserves 2012/13		
Engineering & Transportation	(150,000) (11,651) (85,529) (27,628) (402)	Routine Maintenance Major project costs Redundancy costs Pay & Grading protection IFRS – receipts in advance
Street Pride	(341,359) (36,153) (10,712) (56,007)	Pension and redundancy costs Free Issue of green bins Pay & Grading protection Olympics
Leisure & Community Health	(118,107) (207,795) (317,868) (57,000) (63,540) (4,163)	Pay & Grading Protection Redundancy cost IFRS – receipts in advance Free Swimming Victoria Terrace Dilapidations
Libraries Heritage and Arts	(39,573) (106,452) (25,490)	Redundancy costs IFRS – receipts in advance Pay & Grading Protection
Regulatory services	(9,829) (31,661) 5,188	Redundancy cost Pay & grading protection Windfall income – Horse meat sampling
Walsall Adult and Community College	(375,658)	SFA reserve
Communities & Partnerships	(95,834) (9,332) (13,959) (28,997) (864,963) (80,840) (6,803)	Area Partnerships Pay & Grading protection West Midlands Sexual assault referral centre Preventing violent extremism WNF Community Safety Grant IFRS – receipts in advance
Transfer to reserves 2013/14		
Engineering & Transportation	1,728,584 60,000 16,000 14,865 21,846	Street Lighting transfer to reserve Commuted Sum – Shannon's Mill IFRS receipt in advance School Strategy IFRS – receipt in advance Driver Improvement IFRS – receipt in advance Post 16 Travel

	19,129	IFRS – receipt in advance Bikeability grant
	29,592	IFRS – receipt in advance Air Quality
Street Pride		
	41,202	Public Health transition funds
Regulatory services	61,912	IFRS
Leisure & Community Health		
	595,259	IFRS – receipts in advance
Libraries, Heritage & Arts		
	57,733	Pension provision
	124,354	IFRS – receipts in advance Arts Council Funding
	7,747	IFRS – receipts in advance
Walsall Adult & community College		
	78,533	Transfer to SFA reserve
Total Use of Reserves	(315,361)	

- 1.4 Carry forwards are a means of recognising sound budget management by allowing the carry forwards of planned revenue underspends and/or achieved revenue savings, excluding the use of windfalls/unplanned underspends/savings. This is dependant on achievement of planned service delivery targets/outcomes and a balanced position council wide at year end. Approval for under/overspend carry forward rests with Cabinet, on the advice of the CFO. Total revenue carry forward requests of £240k are recommended for approval, and a brief description is provided below:-

- Security improvement works at Suffolk/Norfolk place. £ 7,000
- Domestic Abuse committed expenditure. £36,845
- Community developments monitoring contracts/agreements. £25,000
- Voluntary & Community Sector development of activities to the elderly and vulnerable. £11,000
- Regulatory services innovation for service delivery £69,650
- Safer Walsall Partnership Board activities supporting community safety. £25,207
- Sport & Leisure – match funding for external grant projects £65,000
- Link contract – no longer required request for change of use. (£50,000)
- Area Partnerships – to fund budget pressure with service in 2013/14 to be funded from Link contract carry forward above. £50,000

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

- Bereavement Services - less than anticipated spend on professional fees and additional income.
- Catering - underspend on employees and additional income.
- Leisure - additional costs due to active living project.
- Libraries - less than expected spend on employees.
- Parking services – lower than anticipated income and lower than expected spend on contractor fees.
- Engineering – lower than expected Section 74 income offset in part by private contractor costs.
- Street Pride – reduced income and higher disposal costs from co-mingled waste due to contamination offset in part by reduced spend on fuel and lower than expected spend on new containers..

1.6 The impact of the recession has caused pressures on income targets in previous year, and is anticipated to continue to affect income levels going forward. This has been recognised as part of the budget setting process for 2012/13, with £0.250m investment approved to adjust car park income budgets in year.

2 Capital Outturn 2012/13

2.1 The capital outturn for 2012/13 for the schemes under the remit of this panel is an underspend against budget of **£18.65m**, of which £7.329m has been approved to be carried forward into 2012/13, resulting in a net underspend of **£0.334m**. **Table 3** overleaf provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 3 - Draft Capital Outturn 2012/13

Service	Annual Budget £	Final Outturn £	Year End Variance £	Carry forward to 2012/13 £	Variance Net of c/fwds £
<u>Mainstream Resources</u>					
Street Pride	752,616	520,338	(232,278)	232,278	0
Engineering & Transportation	2,746,146	2,112,789	(633,357)	319,504	(313,853)
Leisure & Community Health	657,532	425,085	(232,447)	230,609	(1,838)
Libraries, Heritage & Arts	896,211	632,043	(264,168)	247,574	(16,594)
Communities & partnerships	4,282	0	(4,282)	4,282	0
Total Mainstream	5,056,787	3,690,255	(1,366,532)	1,034,247	(332,285)
<u>Unsupported Borrowing</u>					
Street Pride	2,142,314	1,545,485	(596,829)	596,829	0
Total Unsupported Borrowing	2,142,314	1,545,485	(596,829)	596,829	0
<u>Non Mainstream Resources</u>					
	4,834,752	1,166,881	(3,667,871)	3,667,324	(547)
Street Pride	3,000,751	1,498,181	(1,502,570)	1,502,570	0
Engineering & Transportation	22,409	22,407	(2)	0	(2)
Leisure & Community Health	1,961,218	1,773,518	(187,700)	187,700	0
Libraries, Heritage & Arts	146,752	146,752	0	0	0
Walsall Adult & Community College	1,490,587	1,482,912	(7,675)	6,758	(917)
Strategic Transportation					
Total Non Mainstream	11,456,469	6,090,651	(5,365,818)	5,364,352	(1,466)
TOTAL	18,655,570	11,326,391	(7,329,179)	6,995,428	(333,751)

Appendix 1 - Reasons for revenue variations

Service	Reason/explanation for variance (+/-£25k)	Variance £
Leisure and Community Health	Lower than expected spend on salaries (£82k), transport, premises costs, and supplies and services. Higher than expected levels of income (£370k). Offset by higher than expected spend on professional fees £94k and supplies and services £60k. Plus to a request to carry forward of underspend for match funding for external grants project in Sports.	(417,518)
Libraries , Heritage and Arts	Reduction in externally funded income £81k, mitigated by an underspend in salaries (£127K) and other small underspends.	(78,031)
Engineering and Transportation	Major variances relate to under achievement of car park income £521k and section 74 income £148k offset in part by reduction in contractor fees. Various under and over spends in all areas of expenditure.	54,474
Street Pride	Reduction in co-mingled income £126k and higher disposal costs £123k due to contamination, offset by lower than anticipated spend on fuel, private contractor fees and supplies and services	(160,276)
Communities & partnerships	Requests to carry forward underspends due to (£7k) security improvement works at Suffolk/Norfolk place, (£37k) domestic abuse committed expenditure and (£25k) SWPB activities supporting community safety, (£11k) development of activities to the elderly & vulnerable, (£25k) community developments monitoring contracts/agreements. Plus lower employee costs due to vacant post and higher income.	(152,365)
Regulatory Services	Majority due to carry forward request of (£69,650) for innovation for service delivery and various other small under/overspends	(69,559)
Strategic Transportation	Various small underspends	(3,445)
TOTAL VARIANCE		(826,720)
Proposed carry forwards		239,702
TOTAL ADJUSTED VARIANCE		(587,018)

APPENDIX 2

CAPITAL ANALYSIS BY SCHEME

COUNCIL FUNDED SCHEMES	2012/13 Budget	Actual Expenditure	Variance	Carry forward to 2013/14	Underspend
	£	£	£	£	£
NEIGHBOURHOOD					
Allotments	92,619	21,471	-71,148	71,148	0
A34 Birmingham Road	15,000	14,553	-447	0	-447
Beacon Road land slip - contingency	26,141	12,286	-13,855	13,855	0
Bentley Community Facility	240,000	0	-240,000	240,000	0
Footpath Highfield Road, Pelsall	15,607	0	-15,607	15,607	0
George Rose Park	268,824	196,682	-72,142	72,142	0
Green space improvement plan	166,631	6,495	-160,136	160,136	0
Hatherton Road multi storey car park	315,657	309,113	-6,544	11,214	4,670
Headstone safety in Cemeteries	80,000	78,162	-1,838	0	-1,838
Highways Maintenance	1,200,000	1,196,353	-3,647	0	-3,647
Improving security in local neighbourhoods	4,282	0	-4,282	4,282	0
Introduction of Radio Frequency Identification (RFID) in libraries	121,153	96,987	-24,166	7,574	-16,592
Library modernisation plan	53,963	53,961	-2	0	-2
Lighting to save initiatives	270,385	258,128	-12,257	12,257	0
LTP including bridge strengthening 2010/11 (Network Rail)	100,000	100,000	0	0	0
LTP including bridge strengthening 2010/11	200,597	141,459	-59,138	54,468	-4,670
Mercury Abatement	74,913	74,913	0	0	0
Pelsall library, children's centre and health centre	481,095	481,095	0	0	0
Restoration and Renovation of Broadway West Playing Fields	410,000	250,539	-159,461	159,461	0
Retained Housing Land	100,000	74,659	-25,341	25,341	0
Vehicles (Vans)	144,385	144,385	0	0	0
Walsall arboretum lido	172,776	172,776	0	0	0
Walsall TCTP ring road acquisition	502,759	6,238	-496,521	186,762	-309,759
TOTAL COUNCIL FUNDED SCHEMES	5,056,787	3,690,257	-1,366,530	1,034,245	-332,285

PRUDENTIAL SCHEMES	2012/13 Budget	Actual Expenditure	Variance	Carry forward to 2013/14	Underspend
	£	£	£	£	£
NEIGHBOURHOOD					
Walsall arboretum restoration programme (PRU)	1,105,601	508,772	-596,829	596,829	0
Sweepers	1,036,713	1,036,713	0	0	0
TOTAL PRUDENTIAL FUNDED	2,142,314	1,545,485	-596,829	596,829	0

EXTERNALLY FUNDED SCHEMES	2012/13 Budget	Actual Expenditure	Variance	Carry forward to 2013/14	Underspend
	£	£	£	£	£
NEIGHBOURHOOD					
Walsall arboretum lido	43,000	33,229	-9,771	9,771	0
Bloxwich Lane/Bentley Lane Traffic Signal Update	20,796	20,796	0	0	0
Development of Highways Asset Management Plan (HAMPS)	187,705	0	-187,705	187,705	0
IT & Telephone System Upgrade	68,249	68,249	0	0	0
Kings Hill park improvement - phase 2	128,941	62,517	-66,424	66,424	0
LTP Highway Maintenance	1,381,000	1,381,000	0	0	0
LTP Highway Maintenance (Bridges)	1,315,500	33,832	-1,281,668	1,281,668	0
Low emission Strategy	62,026	51,093	-10,933	10,933	0
Highways Improvement works Willenhall	23,479	1,215	-22,264	22,264	0
NOF for PE & Sport - Aldridge Airport	21,637	21,636	-1	0	-1
Palfrey Park	112,275	99,260	-13,015	13,015	0
Pelsall Common Play Area	822	822	0	0	0
Pelsall library, children's centre and health centre	1,961,218	1,773,518	-187,700	187,700	0
Reedwood Park	150,000	89,481	-60,519	60,519	0
Recreating the Croft	58,532	4,421	-54,111	54,111	0
Refurbishment & Upgrade of the College Facilities and Premises	78,503	78,503	0	0	0
ST. Margaret's Development Cycle Link	10,245	10,245	0	0	0
The Arboretum Gallery Garden	43,449	42,903	-546	0	-546

Walsall arboretum restoration programme (PRU)	3,833,486	770,525	-3,062,961	3,062,961	0
Walsall Gala Baths Dance Studio	772	771	-1	0	-1
Walsall childrens play fund	8,319	8,318	-1	0	-1
Waste infrastructure capital grant	455,928	55,405	-400,523	400,523	0
NEIGHBOURHOOD EXTERNALLY FUNDED TOTAL	9,965,882	4,607,738	-5,358,144	5,357,595	-549
REGENERATION					
LTP grant	1,257,721	1,250,963	-6,758	6,758	0
Red Routes	232,866	231,949	-917	0	-917
REGENERATION EXTERNALLY FUNDED TOTAL	1,490,587	1,482,912	-7,675	6,758	-917
TOTAL EXTERNALLY FUNDED	11,456,469	6,090,650	-5,365,819	5,364,353	-1,466