

DATE: 11 September 2018

**ECONOMY & ENVIRONMENT FINANCIAL PERFORMANCE – FORECAST REVENUE AND
CAPITAL OUTTURN FOR 2018/19 – Quarter 1 period ended 30 June 2018**

Ward(s) All

Portfolio:

Councillor Adrian Andrew – Deputy Leader of the Council
Councillor Perry – Community, Leisure and Culture
Councillor Harrison – Clean and Green

Executive Summary

This report summarises the forecast revenue and capital financial position for 2018/19, based on the position to June 2018, for services within the remit of the Economy and Environment Overview and Scrutiny Committee. The following RAG reporting criteria is used for capital and revenue outturn purposes:

RED	Overspend more than 5% of net budget (£1.37m)
AMBER	Overspend more than 0.1% of net budget (£0.027m)
GREEN	Overspend less than or equal to 0.1% of net budget

The revenue position is a forecast overspend of £0.890m (**AMBER**).

The capital position is a forecast variance of £2.365m (**GREEN**), which comprises true project under spends of £0.794m, carry forward requests of £1.725m and overspends of £0.153m for which budget virements are pending.

There are currently risks associated with this forecast and the total financial exposure to risk has been calculated as £0.773m, RAG rated as follows:

- **RED** (high) Risks - £0.414m
- **AMBER** (medium) risks - £0.280m
- **GREEN** (low) risks - £0.039m

Risks are items that are uncertain at present and therefore not included in the overall forecast. If circumstances change and any of these risks become probable, it will then form part of the overall forecast, and actions will need to be identified and implemented to offset any resulting pressure.

Reason for scrutiny

To inform the committee of the forecast financial position for 2018/19 to allow the scrutiny of the financial performance of the services within the committees remit.

Recommendation

To note that the forecast 2018/19 year end financial position for services under the remit of this committee is as follows:

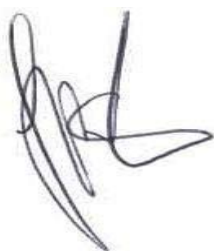
1. REVENUE (RAG Status – **AMBER**) **overspend of £0.890m**, net of the use of and transfer to earmarked reserves and implementation of action plans.
2. CAPITAL (RAG Status - **GREEN**) **variance of £2.365m** which comprises **underspends of £0.794m; carry forward requests of £1.725m; and overspends of £0.153m.**

Background papers

Various financial working papers

Corporate Budget Plan and Treasury Management and Investment Strategy 2018/19.

Signed:



**Executive Director for Economy
and Environment:** Simon Neilson
Date:



**Executive Director for Resources
and Transformation:** James Walsh
Date:

Resource and legal considerations

The council is required to set a balanced budget and requires services to operate within their approved budget allocation. Any variances are required to be managed as far as is reasonably possible. The revenue and capital financial monitoring is reported quarterly to overview and scrutiny committees along with corrective action plans when variances arise. All accounting entries are undertaken in line with the required corporate and statutory accounting guidance and standards.

Council Corporate Plan Priorities:

The Directorate impacts on the priorities of: Economic Growth, People, Internal Focus, Children and Communities. Good financial management supports the council objective of having a modern resilient council that can provide value for money, efficient and effective services.

Citizen impact

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

Environmental impact

Services within the remit of this overview and scrutiny committee 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 where possible, with any remaining variances against budget identified in the report. Work continues to bring the outturn in line with the budget.

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.

Contact Officers:

Kelly Valente, Acting Finance Business Partner for Economy & Environment

☎ 01922 650826, ✉ kelly.valente@walsall.gov.uk

Karen Griffin, Senior Accountancy Officer

☎ 01922 650699, ✉ karen.griffin@walsall.gov.uk

1 **Forecast Revenue Outturn 2018/19 (RAG Status – AMBER)**

1.1 The forecast revenue outturn for 2018/19 for the services under the remit of the Economy and Environment Overview and Scrutiny Committee is an overspend of **£0.890m**, net of the use of earmarked reserves. The forecast revenue outturn shown is based on actual information from the Oracle system as at the end of June 2018, and discussions with managers regarding year end forecast and achievement of approved savings.

1.2 **Table 1** below shows the forecast outturn for each service.

Table 1 – forecast revenue outturn					
	Annual Budget	Year End Forecast	Year End Variance	Net (use of)/ transfer to Reserve	Variance net of reserves (under)/ overspend
Service	£m	£m	£m	£m	£m
Clean & Green Services	16.199	16.847	0.648	(0.266)	0.382
Economy & Environment Management	0.059	0.169	0.110	0.00	0.110
Leisure, Culture & Operations	2.526	2.608	0.082	(0.061)	0.021
Planning, Engineering & Transportation	8.883	8.448	(0.435)	0.437	0.000
Programme Management	0.230	1.483	1.253	(1.253)	(0.001)
Regeneration & Development	0.323	1.158	0.835	(0.431)	0.404
Regulatory Services	1.793	1.876	0.083	(0.111)	(0.027)
Smarter Workplaces	0.350	0.350	(0.000)	0.00	0.000
	30.362	32.938	2.576	(1.685)	0.890

1.3 The predicted outturn includes use of reserves of **£2.964m** (where approval has been given by Cabinet for additional funds for specific services) and requests for transfer to reserves of **£1.279m**. A breakdown of reserves is detailed in **Appendix 1**.

1.4 The following provides an analysis of the primary reasons for the forecast material variances;

- Clean & Green Services – increased costs relating to the issues surrounding the domestic and garden waste collection services, an increase in cost per tonne on the recycling contract and increased fuel costs.
- Economy and Environment Management – forecast unachieved efficiencies.
- Regeneration & Development – forecast unachieved savings 2017/18 and 2018/19

Appendix 2 provides a detailed breakdown by service area of reasons for variances.

Where overspends are predicted, managers are required to identify remedial action that can be made within the service, and to report this as part of an action plan. Work to identify mitigating actions is in progress. It is expected that the majority of this forecast overspend will be mitigated in year through efficiencies in the directorate.

- 1.5 **Appendix 3** details the risks associated with this forecast and the total financial exposure to risk has been calculated as **£0.733m**. Risks are items that are uncertain at present and therefore not included in the overall forecast. If circumstances change and any of these risks become probable, it will then form part of the overall forecast, and actions will need to be identified and implemented to offset any resulting pressure.
- 1.6 Included within the approved budget for 2018/19 are £2.686m of approved savings relating to services within the remit of this committee. An update on the achievement of 2018/19 approved savings is reported monthly to CMT as part of the corporate performance report. Any savings that are not forecast to be achieved in year are required to have alternative savings identified and are managed closely through the relevant service management teams and in liaison with the relevant portfolio holder.

Savings of £0.663m have been ragged **RED** as not being achievable, as follows

- Clean & Green - Waste collection 4 day working week - £0.063m
- Economy & Environment wide - Operational efficiencies across E&E including Management savings - £0.100m
- Asset Management - Transformation work based on 'our assets' - £0.350m
- Planning, Engineers & Transportation - Highways maintenance renewed contract - £0.100m
- Planning, Engineers & Transportation - FYE Highways maintenance contract - £0.050m

Clean and Green and Asset Management items are reflected in the reported forecast overspend, however, it is still intended to identify alternative under spends to achieve the Planning, Engineers and Transportation savings.

Savings of £0.173m have been ragged **AMBER** as not fully guaranteed to be achieved as follows:

- Clean & Green - Garden waste 3 weekly - £0.138m
- Planning, Engineers & Transportation – redesign and reduce traffic management - £0.035m

2 **Capital Outturn 2018/19 (RAG Status – GREEN)**

2.1 The capital position for the schemes under the remit of this committee is a forecast variance of £2.366m (**GREEN**), which comprises:

- **carry forward request of £1.725m** mainly due to reprofiling of spend on the District town centres public realm programme of work and the Fryers road project
- **underspends of £0.794m** on the Smarter Workplaces project which will be superseded by Assets transformation, and the Holman land acquisition.
- **overspend of £0.153m** attributable to Darlaston Swimming Pool which will be funded from revenue, and additional Highway Maintenance Pothole funding for which further external funding will be received.

Table 2 – Capital Forecast

Service and scheme	Annual Budget	Actual to Date	Year End F'cast	Variance before carry forward	Type of Variance
	£m	£m	£m	£m	
<u>Council funded</u>					
Clean & Green Services					
Arboretum Events Field - drainage scheme (RCCO)	0.065	0.000	0.065	0.000	
Broadway West Playing Fields	0.150	0.000	0.150	0.000	
Fryers Road Sprinkler System	0.268	0.000	0.025	(0.243)	Carry Forward
Open Water	0.065	0.000	0.065	0.000	
Replacement of wooden Trim Trail at King George V playing fields	0.001	0.000	0.001	0.000	
St Peters Church - repairs to surrounding walls	0.025	0.000	0.025	0.000	
Walsall Arboretum Car Park	0.009	0.000	0.009	0.000	
Walsall Arboretum Restoration Programme - illuminated park proposals	0.005	0.000	0.005	0.000	
Willenhall Memorial Park	0.014	0.000	0.014	0.000	
Leisure, Culture & Operations					
Active Living - Bloxwich (PWLB)	0.001	0.000	0.001	0.000	
Active Living - Oak Park (PWLB)	0.177	0.007	0.177	0.000	
Bloxwich Active Living Centre-Interactive Aquatics Play	0.030	0.000	0.030	0.000	
Darlaston Swimming Pool	0.150	0.000	0.151	0.001	Overspend
Headstone safety in Cemeteries (RCCO)	0.048	0.009	0.048	0.000	
Leisure Management System	0.018	0.004	0.018	0.000	
Library Redesign - Lichfield Street Hub	4.365	0.471	4.365	0.000	
Mobile Technology Implementation for Building Control	0.012	0.000	0.012	0.000	
Oak Park-Artificial Grass Pitch	0.150	0.000	0.150	0.000	
Oil Tank above Gala Baths	0.025	0.025	0.025	0.000	
Open Plus in Libraries	0.397	0.000	0.397	0.000	

Service and scheme	Annual Budget	Actual to Date	Year End F'cast	Variance before carry forward	Type of Variance
	£m	£m	£m	£m	
Single Library Management System	0.094	0.000	0.094	0.000	
Planning, Engineering & Transportation					
Community Dropped Crossings	0.021	0.000	0.021	0.000	
District Town Centre's Public Realm Improvements	4.000	0.012	2.745	(1.255)	Carry forward
Hatherton Road Car Park	0.264	0.009	0.264	0.000	
Highways maintenance	2.845	0.289	2.845	0.000	
Migration of Urban Traffic control analogue comms network	0.185	0.000	0.185	0.000	
Promotion of Community Health & Safety	0.120	0.000	0.120	0.000	
Replacement of development management, building control & land charge ICT system	0.030	0.030	0.030	0.000	
Replacement of obsolete analogue weather stations	0.040	0.000	0.040	0.000	
Replacement of obsolete traffic signal control equipment	0.200	0.021	0.200	0.000	
Replacement of speed enforcement camera	0.175	0.000	0.175	0.000	
Programme Management					
Darlaston SDA (Prudential)	0.266	0.000	0.266	0.000	
Darlaston SDA	0.169	0.025	0.169	0.000	
Regeneration & Development					
Holmans Strategic Land Acquisition (prudential)	0.524	0.015	0.515	(0.010)	Under spend
New Homes Bonus	0.204	0.000	0.204	0.000	
Primark & Co-op development	0.002	0.000	0.002	0.000	
Regenerating Walsall	0.234	0.000	0.234	0.000	
Rushall Olympic Football Club	0.006	0.000	0.006	0.000	
Saddlers Shopping Centre (prudential)	0.560	0.000	0.560	0.000	
Shop maintenance	0.007	0.000	0.007	0.000	
Town and District Centres Public Realm	0.871	0.000	0.871	0.000	
Walsall Market	1.877	0.003	1.877	0.000	
Walsall Town Centre Public Realm Improvements	0.229	0.000	0.229	(0.000)	
Smarter Workplaces					
ICT	0.307	0.000	0.000	(0.307)	Under spend
Property (prudential)	0.478	0.000	0.000	(0.478)	Under spend
Total Council Funded	19.679	0.922	17.389	(2.291)	
Externally Funded					
Clean & Green Services					

Service and scheme	Annual Budget	Actual to Date	Year End F'cast	Variance before carry forward	Type of Variance
	£m	£m	£m	£m	
Allotment Improvement Programme External	0.011	0.000	0.011	0.000	
Broadway West Playing Fields	0.150	0.000	0.150	0.000	
Palfrey Park	0.005	0.000	0.005	0.000	
Reeds, Wood & Water Project	0.032	0.000	0.032	0.000	
Walsall arboretum restoration programme (PRU)	0.147	0.003	0.147	0.000	
Waste infrastructure capital grant	0.227	0.000	0.000	(0.227)	Carry Forward
Willenhall Memorial Park Heritage & Habitats	0.031	0.022	0.031	0.000	
Willenhall Memorial Park - Artwork	0.001	0.001	0.001	0.000	
Leisure, Culture & Operations					
Active Living Bloxwich (Grant)	0.104	0.000	0.104	0.000	
Active Living Oak Park (Grant)	0.053	0.000	0.053	0.000	
Oak Park-Artificial Grass Pitch - External funding	0.300	0.000	0.300	0.000	
Planning, Engineering & Transportation					
Additional Highway Maintenance pothole funding	0.130	0.152	0.281	0.152	Overspend
Capital Block DFT Fund	2.366	0.228	2.366	0.000	
Development of Highways Asset Management Plan (HAMPS)	0.030	0.013	0.030	0.000	
LTP including bridge strengthening 2010/11	0.200	0.000	0.200	0.000	
LTP Yorks Bridge	0.070	0.007	0.070	0.000	
Network Rail Scheme-Level Crossing	0.122	0.012	0.122	0.000	
Pedestrian Crossing on Northgate	0.011	0.000	0.011	0.000	
Programme Management					
Growth Deal	22.775	(11.117)	22.775	0.000	
M6 Junction 10 Highway Improvements	1.312	0.067	1.312	0.000	
Regeneration & Development					
A461 corridor junction improvements	0.000	0.000	0.000	0.000	
A461 National Productivity Investment Fund (NPIF)	0.000	(0.019)	0.000	0.000	
Goscote Open Space	0.383	0.000	0.383	0.000	
M6 Junction 10 Highway Improvements	0.142	0.000	0.142	0.000	
National Productivity Investment Fund	1.081	0.002	1.081	0.000	
Regenerating Walsall - Private Contributions	0.009	0.000	0.009	0.000	
West Midlands Strategic Transport Plan (STP) 'Movement for Growth'	1.786	0.053	1.786	0.000	

Service and scheme	Annual Budget	Actual to Date	Year End F'cast	Variance before carry forward	Type of Variance
	£m	£m	£m	£m	
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	0.001	0.000	0.001	0.000	
Total Externally Funded	31.478	(10.575)	31.403	(0.075)	
	51.158	(9.653)	48.792	(2.366)	

Acronyms used above are listed in **Appendix 4**.

Appendix 1 - Analysis of 2018/19 Earmarked Reserves

Service / Reserve description	Total approved reserve £m	Forecast use of reserve £m	Transfer to reserve £m	Net use of reserve £m
Clean & Green Services				
17/18 Unauthorised Encampments	0.021	(0.021)	0.000	(0.021)
18/19 unauthorised encampments - physical works	0.100	(0.100)	0.000	(0.100)
Arboretum Drainage System (RCCO)	0.065	(0.065)	0.000	(0.065)
Completion of Greenspaces Strategy	0.002	(0.002)	0.000	(0.002)
Consultancy work related to waste collections	0.040	(0.040)	0.000	(0.040)
Contribution to the Web designer tasked with transforming the Clean and Green web pages	0.006	(0.006)	0.000	(0.006)
IFRS - Natural England	0.044	0.000	0.000	0.000
IFRS - Section 106	0.738	0.000	0.010	0.010
Resource in the contact centre - Continuation of the campaign to reduce fly tipping	0.027	(0.027)	0.000	(0.027)
Walsall Council contribution to the UNESCO officer costs	0.016	(0.016)	0.000	(0.016)
Economy & Environment Management				
IFRS - Transition funding	0.013	0.000	0.000	0.000
Leisure, Culture & Operations				
Building Control Fee (ring fenced)	0.107	0.000	0.037	0.037
Donations	0.009	(0.001)	0.000	(0.001)
IFRS - Artist Development	0.012	(0.005)	0.000	(0.005)
IFRS - Arts Council England - dilapidations	0.005	0.000	0.000	0.000
IFRS - Arts Council England 11/12	0.045	(0.015)	0.000	(0.015)
IFRS - Arts Council England 12/13 - Regular Grant	0.112	0.000	0.000	0.000
IFRS - Bookstart	0.001	0.000	0.000	0.000
IFRS - Doorstep Sports Club	0.003	0.000	0.000	0.000
IFRS - Environmental Levy	0.530	0.000	0.000	0.000
IFRS - Exclusive Burial Rights Levy	0.069	(0.048)	0.020	(0.028)
IFRS - HLF project - Rediscover Bloxwich	0.009	(0.009)	0.000	(0.009)
IFRS - Marketing Promotion Sport England 11/12 & 12/13	0.005	(0.005)	0.000	(0.005)
IFRS - NAG - ABC (Audience Black Country) Membership -	0.003	0.000	0.000	0.000
IFRS - NAG - Science Project	0.001	0.000	0.000	0.000
IFRS - NVQ Assessor	0.000	0.000	0.000	0.000
IFRS - Paul Hamlyn Foundation/Right to Read	0.004	0.000	0.000	0.000
IFRS - Walk On	0.007	0.000	0.000	0.000

Service / Reserve description	Total approved reserve £m	Forecast use of reserve £m	Transfer to reserve £m	Net use of reserve £m
IFRS - Way Forward Project	0.004	0.000	0.000	0.000
Inspired Generations (CSAF)	0.004	0.000	0.000	0.000
Library Service redesign	0.048	(0.048)	0.000	(0.048)
Windfall Income	0.000	0.000	0.012	0.012
Planning, Engineering & Transportation				
Bus Lane enforcement	0.139	0.000	0.000	0.000
Commuted sum Shannon's Mill	0.036	(0.006)	0.000	(0.006)
Economic Growth Programme	0.074	(0.038)	0.000	(0.038)
IFRS - DFT Bikeability grant 2008/09	0.016	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2009/10	0.008	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2010/11	0.029	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2011/12	0.036	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2012/13	0.019	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2013/14	0.016	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2014/15	0.038	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2015/16	0.037	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2016/17	0.022	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2017/18	0.032	0.000	0.000	0.000
IFRS - DFT Road safety grant	0.039	(0.010)	0.000	(0.010)
IFRS - Driver Improvement (Dudley Council)	0.015	0.000	0.000	0.000
IFRS - HPDG - MB salary cost	0.044	0.000	0.000	0.000
IFRS – Financial appraisals	0.026	0.000	0.000	0.000
IFRS - Local Road Safety 2015/16	0.035	0.000	0.000	0.000
IFRS - Local Road Safety 2016/17	0.012	0.000	0.000	0.000
IFRS - Local Road Safety 2017/18	0.015	0.000	0.000	0.000
IFRS - Midlands Air Quality funds (Birmingham County Council) 2012/13	0.030	0.000	0.000	0.000
IFRS - Midlands Air Quality funds (Birmingham County Council) 2013/14	0.001	0.000	0.000	0.000
IFRS - Post 16 Travel 2013/14 (Children's Services)	0.022	0.000	0.000	0.000
IFRS - S106 planning	0.417	0.000	0.000	0.000
IFRS - School Strategy 2012/13 (Children's Services)	0.016	0.000	0.000	0.000
IFRS - School Strategy 2015/16 (Children's Services)	0.025	0.000	0.000	0.000
IFRS - Sustainable Drainage Grant	0.034	0.000	0.000	0.000
IFRS - Walsall PCT - Active school travel project (A stars)	0.030	(0.009)	0.000	(0.009)
Mediation Reserve - legal fees Waverley Mast	0.068	0.000	0.000	0.000
On-street parking income	0.069	0.000	0.000	0.000

Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
	£m	£m	£m	£m
Street lighting PFI	20.341	0.000	0.499	0.499
Programme Management				
Economic Growth Programme - Programme Management	0.648	(0.288)	0.000	(0.288)
ERDF TA Partner contributions	0.070	0.000	0.010	0.010
ESF TA Partner contributions 2017/18	0.006	0.000	0.010	0.010
Fund one match funding ERDF technical assistance project	0.030	0.000	0.000	0.000
IBC Partner Contributions	0.024	0.000	0.001	0.001
IFRS - City Deal - Welfare Pilot	0.693	(0.693)	0.000	(0.693)
IFRS - Growth Hub	0.221	0.000	0.000	0.000
IFRS – LEP - Core funding	0.157	(0.157)	0.157	0.000
IFRS - LEP Energy Strategy	0.120	(0.120)	0.000	(0.120)
IFRS – LEP - Hestletine funding	0.121	(0.121)	0.121	0.000
IFRS – LEP - Hestletine funding (Walsall element)	0.003	0.000	0.000	0.000
LGF - pipeline was BC Transport Director	0.012	(0.012)	0.000	(0.012)
LGF Interest	0.717	0.000	0.054	0.054
Transformation Fund – workforce	0.233	(0.233)	0.000	(0.233)
Walsall Works	0.221	(0.166)	0.000	(0.166)
YEI overheads	0.158	0.000	0.184	0.184
Regeneration & Development				
Asset Management System	0.035	(0.010)	0.000	(0.010)
Black Country core strategy	0.144	(0.144)	0.000	(0.144)
Black Country core strategy - SAD/AAP	0.074	(0.016)	0.000	(0.016)
Economic Growth Programme – Asset Management	0.085	0.000	0.032	0.032
Economic Growth Programme – Development and Delivery	0.349	(0.008)	0.130	0.121
IFRS - Contribution for participation in Pilot Scheme	0.009	0.000	0.000	0.000
IFRS – Development and Delivery grant S106	0.061	0.000	0.000	0.000
LGF - released revenue	0.519	0.000	0.000	0.000
New Homes Bonus (Housing loans etc)	0.032	0.000	0.000	0.000
Phoenix 10	0.456	(0.140)	0.000	(0.140)
Pleck Boxing Club	0.040	(0.025)	0.000	(0.025)
Uncapitalised expenditure	0.250	(0.250)	0.000	(0.250)
Regulatory Services				
IFRS – BCTCA – Tobacco Control	0.012	0.000	0.000	0.000
IFRS – No Cold Calling – Trading Standards	0.002	0.000	0.000	0.000
IFRS – Sniffer Dog Grant	0.001	(0.000)	0.000	(0.000)
IFRS – Tobacco funding	0.015	0.000	0.000	0.000

Service / Reserve description	Total approved reserve £m	Forecast use of reserve £m	Transfer to reserve £m	Net use of reserve £m
Trading Standards - Hand held devices	0.031	(0.015)	0.000	(0.015)
Taxi Driver Training	0.041	(0.041)	0.000	(0.041)
Unauthorised Encampment officers	0.147	(0.055)	0.000	(0.055)
Smarter Workplaces				
Smarter Workplaces	0.264	0.000	0.000	0.000
Total	29.789	(2.964)	1.279	(1.685)

Appendix 2 – Explanation of 2018/19 forecast Revenue Variations by Service

Service	Reason / explanation for variance	Variance
		£m
Clean & Green Services	Additional costs of the domestic waste collection service £0.320m, potential overspend on the casepak recycling contract as a result of the £5 per tonne increase in gate fee £0.100m, to be offset by general underspends in disposal costs (£0.100m). Cost of overtime relating to saturday working crews collecting missed garden waste bin £0.038m. Costs of the Clinical Waste contract - £0.017m, increased costs of fuel £0.065m. Offset in part by release of over accruals in agency (£0.058)	0.382
Economy & Environment Management	£0.100m unachieved 18/19 Operational efficiencies across Economy and Environment including management savings. £0.010m balance of unachieved 16-17 savings.	0.110
Leisure, Culture & Operations	Underspend on Active Living Centres (£0.096m) as increase in expenditure surpassed by income, Leisure Management (£0.039m) salaries, Forest Arts (£0.009m) mostly salaries, Libraries (£0.023m) salaries and supplies. Overspend on Sports Development £0.041m of which £0.064m is Outdoor Adventure Centre, Bereavement £0.074m of which £0.056m is due to legal costs, Building Control £0.022m income shortfall, New Art Gallery £0.051m mostly income shortfall.	0.021
Planning, Engineering & Transportation	No significant variances	0.000
Programme Management	No significant variances	0.001
Regeneration & Development	Unachieved saving £0.050m 2017/18 and £0.350m 2018/19	0.404
Regulatory Services	Overspent on Unauthorised Encampments £0.017m, Community Protection £0.010m mainly income shortfall offset by salary underspend and underspend on Trading Standards (£0.004m) mainly supplies and Environment Health (£0.050m) mainly from salaries, kennelling and surplus income	(0.027)
Smarter Workplaces	No significant variances	0.000
Total		0.890

Appendix 3 - Risks

Service Area	Potential Risks	Highest Cost	Total Estimated Exposure
		£m	£m
	Low Risks (RAG Rating – GREEN)		
Clean and Green Services	Increase in waste arisen, or non diversion of waste	0.100	0.020
Clean and Green Services	Increased contamination of co mingled waste and fluctuating gate fees from new recycling disposal contract	0.025	0.005
Clean and Green Services	Ongoing issues around the current waste collection service	0.050	0.010
Directorate support	Directorate Support - postage costs	0.010	0.002
Directorate Support	Directorate Support - support to blue badge service - may be mitigated in service	0.010	0.002
	Total Low Risks (RAG – GREEN)	0.195	0.039
	Medium Risks (RAG Rating – AMBER)		
Clean and Green Services	C&G Retained housing land - maintenance and repair costs for which there is no budget	0.100	0.040
Clean and Green Services	Garden waste collection service - potential unachieved saving	0.090	0.036
Clean and Green Services	Non achievement of the vacancy management target	0.150	0.060
Clean and Green Services	Implications of the procurement of a corporate security contract.	0.010	0.004
Clean and Green Services	Increased fuel costs	0.125	0.050
Leisure, Culture and Operations	New Art Gallery 2016/17 accrual	(0.050)	(0.020)
Planning, Engineering & Transportation	Planning - Shortfall of planning applications income	0.050	0.020
Planning, Engineering & Transportation	Planning - Shortfall of Land Charges income	0.015	0.006
Planning, Engineering & Transportation	Winter Maintenance costs	0.050	0.020
Planning, Engineering & Transportation	Contract mobilisation costs	0.100	0.040
Planning, Engineering & Transportation	Traffic regulation orders	0.035	0.014
Planning, Engineering & Transportation	Existing Highways Repair and Maintenance Contract	0.025	0.010
	Total Medium Risks (RAG - AMBER)	0.700	0.280
	High Risks (RAG Rating – RED)		
Clean and Green Services	Clinic Waste Contract price and usage increase	0.010	0.006
Planning, Engineering & Transportation	Highways Maintenance - Reactive Maintenance	0.400	0.240

Planning, Engineering & Transportation	Highways Maintenance - Monthly Depot Charge	0.200	0.120
Planning, Engineering & Transportation	Highways Maintenance - Gully Cleansing	0.050	0.030
Planning, Engineering & Transportation	Ceasing of Emergency Planning Shared Service arrangement	0.030	0.018
	Total High Risks (RAG – RED)	0.690	0.414
	Total	1.585	0.733

Appendix 4 – Acronyms and Abbreviations

Acronym	Description
AAP	Area Action Plan
BC	Black Country
BCTCA	Black Country Tobacco Control Alliance
BMS	Building Management System
CSAF	Community Sport Activation Fund
DEFRA	Department for Environment Food & Rural Affairs
DFT	Department for Transport
EAT	Engineers Assistants Time
ERDF	European Regional Development Fund
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standard
LEP	Local Enterprise Partnership
LGF	Local Growth Fund
LTP	Local Transport Plan
NAG	New Art Gallery
NPIF	National Productivity Investment Fund
PCT	Primary Care Trust
PFI	Private Finance Initiative
PRU	Prudential
PWLB	Public Works Loan Board
RCCO	Revenue Contribution to Capital Outlay
SAD	Site Allocation Document
TA	Technical Assistance
TCTP	Town Centre Transport Planning
UNESCO	United Nations Educational, Scientific and Cultural Organisation
YEI	Youth Employment Initiative