

## ENVIRONMENT SCRUTINY AND PERFORMANCE PANEL

Agenda Item  
No. 7

DATE: 13 JULY 2010

### 2009/10 FINAL BUDGETARY POSITION PRE-AUDIT

Ward(s) All

#### Portfolio:

Councillor Harris – Leisure Culture & Environment  
Councillor Ansell – Transport  
Councillor Ali – Communities & Partnerships

#### 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 Community Services Scrutiny and Performance Panel.

#### Recommendation

To note that the 2009/10 year end financial position for services under the remit of the Community Services Scrutiny and Performance Panel, is a revenue variance (underspend) against budget of **£1.143m** (net of use of earmarked reserves/ carry forwards), and a capital underspend of **£0.077m** (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**

Date: 2 July 2010



Executive Director: **Jamie Morris**

Date: 6 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.

## **Contact Officer:**

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## **1 Revenue Outturn 2009/10 – Environment**

- 1.1 The revenue outturn for 2009/10 for the services under the remit of the Environment Scrutiny & Performance Panel is an underspend against budget of **£1.143m** (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 - Final Revenue Outturn 2009/10**

<b>Service Area</b>	<b>Annual Budget</b>	<b>Year End Outturn</b>	<b>Year End Variance</b>	<b>Use of Reserves / Carry Forwards</b>	<b>Variance Net of Reserves</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>ENVIRONMENT PORTFOLIO</u></b>					
<b><u>Engineering &amp; Transport</u></b>					
Pollution Control	757,371	734,406	-22,965		-22,965
<b><u>Public Safety</u></b>					
Bereavement Services	-135,994	33,980	169,974		169,974
<b><u>Street Pride</u></b>					
Grounds, Street Cleansing & Public Conveniences	5,202,403	5,165,451	-36,952	-44,044	-80,996
Policy & Performance	102,967	105,820	2,853		2,853
Waste Management	11,265,310	10,496,399	-768,911	-218,725	-987,636
Fleet Services	2,137,188	2,214,967	77,779		77,779
Fleet Services Leasing Replacement Programme	1,812,929	1,779,250	-33,679		-33,679
Neighbourhoods Management	-5,215	-10,111	-4,896		-4,896
<b><u>TRANSPORT PORTFOLIO</u></b>					
<b><u>Engineering &amp; Transport</u></b>					
Roadworks Management	2,618,282	2,746,726	128,444	-20,000	108,444
Highways Maintenance & Public Lighting	5,575,974	4,598,230	-977,744	951,153	-26,591
Transportation & Forward Planning	798,286	653,947	-144,339		-144,339
Engineering Design & Construction	25,329	129,319	103,990	-38,302	65,688
Traffic & Transportation-general	-51,398	-50,508	890		890
Traffic & Transportation	1,260,200	1,073,068	-187,132		-187,132
Engineering Management	-2,385,539	-2,390,323	-4,784		-4,784
Structure & Geotechnics	259,850	225,152	-34,698		-34,698
Major Projects & Minor Improvements	4,168	19,283	15,115		15,115
<b><u>COMMUNITIES &amp; PARTNERSHIPS PORTFOLIO</u></b>					
Environmental Health	1,406,563	1,350,920	-55,643		-55,643
<b>TOTAL</b>	<b>30,648,674</b>	<b>28,875,976</b>	<b>-1,7662,698</b>	<b>630,082</b>	<b>-1,142,616</b>

- 1.2 The budget for 2009/10 included approved savings of £1.293m. £1.085m (83.91%) of these were achieved. The reasons for non-achievement were mainly in bereavement services due to a fall in death rates. An action plan is in place to ensure achievement in full in 2010/11.
- 1.3 The outturn includes net use of and transfers to reserves of £0.630m where approval was given by Cabinet for additional funds for specific services, and include approved carry forwards from 2008/09, and to 2009/10 where applicable. **Table 2** provides a summary of these.

**Table 2 - Analysis of 2009/10 Use of Reserves**

Service	Detail	Amount Requested
<b><u>Centrally held earmarked reserves</u></b>		<b>£</b>
Street Pride	New waste collection service	-64,204
Street Pride	Use of LABGI reserve	-17,567
Street Pride – Grounds & Waste	Redundancy payments	-95,141
Engineering & Transport	Roadworks Management	-20,000
Engineering & Transport	St Lighting PFI underspend transfer to reserves	951,153
<b><u>Carry forwards from 2008/09</u></b>		
Street Pride	W2R Legal costs	-35,857
Engineering & Transport	HMRP contract	-38,302
<b><u>Carry forwards from 2007/08 into 2009/10</u></b>		
Street Pride	Waste – Fryers Rd Floor Pad	-50,000
<b>TOTAL USE OF RESERVES</b>		<b>630,082</b>

- 1.3 The main reasons for the under/overspend position for services within the remit of the Panel are as follows: with full analysis of the variances is shown in **Appendix 1**.
- Waste Management - £988k underspent mainly on waste disposal and savings on employee costs.
  - Engineering & Transport - £208k underspent mainly due to rates refund and savings on employee costs offset by under recovery of s74 income.
  - Bereavement services overspent by £169k due to lower than anticipated income.
  - Environmental Health £55k underspend mainly on salaries.
- 1.4 The impact of the recession has caused pressures on income targets in 2009/10, and is anticipated to continue to affect income levels in 2010/11. This has been recognised as part of the budget setting process for 2010/11, with £0.175m investment approved to adjust income budgets in year within bereavement services.

## 2 Capital Outturn 2009/10 – Environment

- 2.1 The capital outturn for 2009/10 for the schemes under the remit of this panel is an underspend against budget of **£3.513m**, of which £3.436m has been approved to be slipped into 2010/11, resulting in a net underspend of **£0.077m**. **Table 3** provides a summary by service, and explanations of variances are shown in **Appendix 2**.

**Table 3 - Capital Outturn 2009-10**

Scheme	Annual Budget £m	Outturn £m	Slippage to 2010/11 £m	Underspend £m
<b><u>Mainstream Resources</u></b>				
Bridgeman Street car park	0.015	0	0	0.015
Bridge Strengthening	0.070	0.070	0	0
Highways Maintenance	0.860	0.860	0	0
Disabled Facilities at pedestrian crossings	0.057	0.008	0.049	0
Local Transport Plan	2.287	0.972	1.315	0
Town centre transport package	0.797	0.172	0.625	0
Walsall TCTP ring road land acquisition	0.630	0	0.630	0
Improving security in local neighbourhoods programme	0.282	0.241	0.041	0
Memorial safety	0.100	0.063	0	0.037
Register office modernisation	0.081	0.069	0.012	0
Streetly crematorium mercury abatement	0.065	0.035	0.030	0
Depot relocation	0.052	0	0.052	0
Essential repair works to Norfolk Place depot	0.112	0.092	0.020	0
	<b>5.408</b>	<b>2.582</b>	<b>2.774</b>	<b>0.052</b>
<b><u>Non Mainstream Resources</u></b>				
Specific road safety grant	0.030	0.004	0.026	0
VASS	0.017	0.017	0	0
Joint Initiatives - Watchmen	0.054	0.054	0	0
Development of HAMP	0.152	0.006	0.146	0
Safer Stronger Communities Fund	0.106	0.106	0	0
Relocation of depot	0.567	0.077	0.490	0
Waste Collection Service	0.285	0.260	0	0.025
Neighbourhood Learning in deprived areas.	0.018	0.018	0	0
	<b>1.229</b>	<b>0.542</b>	<b>0.662</b>	<b>0.025</b>
<b>TOTAL ENVIRONMENT</b>	<b>6.637</b>	<b>3.124</b>	<b>3.436</b>	<b>0.077</b>

## **APPENDIX 1 - REASONS FOR REVENUE VARIATIONS - ENVIRONMENT**

<b>SERVICE</b>	<b>REASON / EXPLANATION FOR VARIANCE</b>	<b>VARIANCE £</b>
Street Pride - Waste - Management & Admin	£20K additional depot costs; (£18K) reduction in publicity and advertising; £44K additional computer costs relating to Bartech system; (£5k) various under/overspends	40,809
Street Pride - Waste collection	(£205K) employee costs; (£114K) reduction in purchase of containers; £11K increase in provision for bad debt; (£17K) other various under/over spends	-324,882
Street Pride - Waste disposal	(£33K) rate rebate; (£62K) reduction in mgt fees due to negative RPI increase; £78K higher disposal costs of co-mingled materials; (£35K) lower than anticipated legal & finance costs re: W2R; (£675K) underspend on waste disposal; £24K other various under/over	-703,546
Street Pride – Public conveniences	Lower employee costs through vacant posts being covered by agency staff and underspend on general materials	-34,463
Street Pride - Grounds Maintenance	Mainly due to employee savings through vacant posts covered by agency staff and savings on general materials and hire of plant offset by lower than anticipated external income	-76,246
Street Pride - Street Cleaning	Higher employee costs due to assumed allocation of 2009/10 agency saving against actual posts where redundancy/retirement did not occur - budget realigned for 2010/11	77,464
Street Pride - Grounds Management & Admin	Lower employee costs through vacant posts being covered by agency staff and underspend on new equipment	-47,750
Street Pride - Fleet - Tarmac	Prepayment of 2009/10 leasing paid in 2008/09 - not transferred into 2009/10 by corporate leasing section	-69,275
Street Pride - Fleet - Operations	£50K overspend on agency staff costs for employee covering union duties and cover of vacant posts; £30K overspend on heating oil; £100K additional vehicle repair and maintenance costs offset by (£100K) additional income; £18K additional depot costs	98,416
Street Pride - Fleet Management & Admin	Agency staff saving not achieved	27,963
Street Pride - Leasing/contract hire	Underspend on street sweeper hire due to delay in start date of new contract	-33,679
Public Protection - Registrars	Higher than anticipated income	-46,799
Public Protection - Cemeteries	Lower than anticipated income, underspends on salaries and supplies and services, overspend on premises	84,923

<b>SERVICE</b>	<b>REASON / EXPLANATION FOR VARIANCE</b>	<b>VARIANCE £</b>
Public Protection - Crematoria	Lower than anticipated income and overspend on supplies and services	124,077
Public Protection - Environmental Health	Underspend on salaries	-35,294
E & T - Pollution control	Vacancy Mgt (£18k) offset by under recovery of income from recharges to capital £19k, Delays in calibration of equipment and other non essential spend savings (£18k), Reduction in management and Admin recharge (£4k)	-22,965
Engineering & Transportation - Roadworks Management	Section 74 under recovery of income offset in part by in year savings net effect £108k.	108,444
Engineering & Transportation - Transportation & Forward Planning	Vacancy Mgt (£73.3k), Management and Admin recharge less than expected (£28k); Additional recharges to capital to maximise external income (£13k); refund from JDT (£18k); reduction in ad hoc work commissioned from JDT (£10k)	-144,339
Engineering & Transportation - Eng Design & Construction	Higher than expected support costs arising from the negotiations of the Tarmac contract and routine maintenance costs £65k.	65,687
Engineering & Transportation - Traffic & Transportation	Car parks rates refund (£90k) and savings on water rates (£15k); Reduction in use of enumerators and vacancy management in traffic management (£53k), additional income (13k) and maximisation of recharges to capital from Traffic management (£17k).	-187,133
Engineering & Transportation - Structures & Geotechnics	Reduction in number of limestone and mineshaft queries within year (£25k); Streams and Brookes savings due to non essential spend (£10k).	-34,698
Engineering & Transportation - Major Projects & Minor Improvements	Additional legal costs relating to section 38 developments	15,115
	Miscellaneous over/under spends	-24,445
<b>TOTAL VARIANCE EXCLUDING CAPITAL ENTRIES</b>		<b>-1,142,616</b>

## **Appendix 2 - Capital Outturn 2009/10**

<b>Scheme</b>	<b>Slippage to 2010/11 £m</b>	<b>Underspend £m</b>	<b>Reasons for Slippage/Underspend</b>
<b>Mainstream Resources</b>			
Bridgeman Street car park	0	0.015	Project Underspent
Depot relocation	0.052	0	Relocation will happen in 2010/11
Disabled Facilities at pedestrian crossings	0.049	0	Awaiting further invoices for work completed
Essential repair works to Norfolk Place depot	0.020	0	Continuation of current works for HSE
Improving security in local neighbourhoods programme	0.041	0	Long lead time due to public consultation and works being progressed as a result
Local Transport Plan	1.315	0	Leamore Lane £750k less than expected. York's bridge design not yet processed
Memorial safety	0	0.037	Underspend
Register office modernisation	0.012	0	Final retention due to be paid
Streetly crematorium mercury abatement	0.030	0	Tendering process took longer than expected
Town centre transport package	0.625	0	Ongoing contractor issues
Walsall TCTP ring road land acquisition	0.630	0	Ongoing contractor issues
	<b>2.774</b>	<b>0.052</b>	
<b>Non Mainstream Resources</b>			
Waste Collection Service	0	0.025	Cost of bins lower than anticipated
Highways asset management plan	0.147	0	Project will continue to 31/03/11. IT systems and training for equipment to begin in 2010/11
Relocation of depot	0.490	0	Relocation will happen in 2010/11
Specific road safety grant	0.026	0	Awaiting further invoices for work completed
	<b>0.663</b>	<b>0.025</b>	
<b>TOTAL ENVIRONMENT</b>	<b>3.437</b>	<b>0.077</b>	