

1 DECEMBER 2009

REVENUE and CAPITAL MONITORING – 2009/10 SECOND QUARTER FORECAST

Ward(s) All

Portfolio:

Councillor Sanders – Leisure and Culture
Councillor Perry – Communities and Partnerships
Councillor Walker – Children's Services (Catering)
Councillor Bird – Leader of the Council (Walsall Partnership)

Summary of report

This report summarises the predicted revenue and capital outturn position for 2009/10, based on the performance for quarter 2 (April to September 2009), for services within the remit of the Community Services Scrutiny and Performance Panel. The forecast year end financial position is a predicted revenue variance (overspend) against budget of **£0.122m** (net of use of earmarked reserves), which reduces to an overspend of **£0.066m** following actions in place to help the Council's overall financial position, and a capital underspend of **£1.005m**.

Recommendation

To note the 2009/10 forecasted year end financial position for services under the remit of the Panel.

Background papers

Various financial working papers.
2009/10 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the predicted financial position for 2009/10.

Signed:



Chief Finance Officer:

James T Walsh



Executive Director:

Jamie Morris

Date:

27 October 2009

Date:

27 October 2009

Resource and legal considerations

Services are required to manage their services within budget. Overspends may arise for a number of reasons, including national, economic and local factors. Further detail is provided within this report. Corrective action plans are in place to mitigate any overspends within service. Any corporate overspend will require replenishment in the 2010/11 budget.

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.

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 with senior officers on the financial position and reporting thereof.

Contact Officer:

Stuart Wootton, Service Finance Manager,
 01922 653554,  woottons@walsall.gov.uk

1 Forecast Revenue Outturn 2009/10 – Community Services

- 1.1 The forecast revenue outturn for 2009/10 for the services under the remit of the Community Services Scrutiny and Performance Panel (based on the position as at the end of September 2009) is an overspend against budget of **£0.122m** (net of the use of earmarked reserves), which reduces to an overspend of **£0.066m** following actions in place to help the Council's overall financial position. The outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year-end forecast and achievement of approved savings.
- 1.2 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/overspends. Where overspends are predicted, managers are tasked to identify remedial action that can be made within service, and to report as part of a directorate action plan. All options will continue to be explored throughout the financial year so as to minimise any forecast overspends within service, and to manage additional risks as they arise.
- 1.3 The predicted outturn includes net use of reserves of £2.829m, where approval has been given by Cabinet for additional funds for specific services, and include approved carry forwards from 2008/09. **Table 1** provides a summary of these.
- 1.4 **Table 2** overleaf shows the forecast outturn for each service, and **Table 3** provides an analysis of the reasons for the forecast material variances.

Table 1 – Analysis of 2009/10 Use of Earmarked Reserves		
Service Area	Reason / Explanation	£
Centrally held Earmarked Reserves		
Public Safety	Use of LABGI reserve	18,000
Safer Walsall Partnership	Redundancy payments	58,100
Neighbourhood Partnerships	LNP Earmarked reserve	165,274
Walsall Partnership	Community Cohesion / Stronger Safer	42,998
Leisure & Culture	Redundancy payments	141,447
Carry forwards from 2008/09		
Public Safety	Taxi Marshalling	10,218
Safer Walsall Partnership	Darlaston Face the Public session	1,000
	Hard to reach projects	2,000
	Walsall Alcohol Arrest Referral	14,000
	Community consultation process	10,000
	Area Based Grant	83,000
Neighbourhood Partnerships	Grants to community organisations	2,780
	Preventing violent extremism	110,960
	Local involvement networks	10,000
	WNF	2,149,075
Carry forwards from 2007/08		
Leisure & Culture	First Stop Shop	10,000
TOTAL USE OF RESERVES		2,828,853

[illegible]

Action plan to reduce Council overspend

Total Community Services

TABLE 3 - ANALYSIS OF REASONS FOR FORECAST VARIANCES

Service Area	QTR 1 JUNE '09	SEPTEMBER			Explanation of Year end Variance
		Amount	Reserves	Actual	
		£	£	£	
Public Safety					
Public Protection Mgt (incl. Emergency Planning)	0	(9,692)	0	(9,692)	General underspends within the Service
Trading Standards	1,745	(32,360)	(28,218)	(60,578)	Under-recovery of licensing income of £20k and prosecution income of £10k, additional legal costs of £1k, all offset by general underspends and non-essential expenditure
Safer Walsall Partnership		148,100	(168,100)	(20,000)	Restraint on non-essential expenditure
Walsall Partnership					
Walsall Partnership	1,210	2,193,283	(2,192,073)	1,210	Expected overspend on general supplies and services
Neighbourhood Partnerships	50,000	339,014	(289,014)	50,000	Target to generate external grant sources to fund LNP's not achieved
Leisure & Culture					
Sports	158,050	166,435	0	166,435	Unacheived income targets of £70k from use of Sports Centres and £60k Grange golf course, and £46k overspend on Sports Centre employees, partly offset by savings on supplies and services and premise costs
Greenspaces	77,230	12,253	(12,253)	0	Overspends previously predicted now funded from the restraint in non-essential expenditure
Walsall Illuminations	55,797	73,663	(29,188)	44,475	Delay in implementation of approved staff savings from redundancies
Management Services	11,360	60,007	(60,007)	0	
First Stop Shop	-229	10,000	(10,000)	0	
Catering	0	(85,583)	0	(85,583)	Overspend on employees (£34k), provisions (£80k) and increased depot charges (£45k), offset by additional income of £45k and general savings from the restraint on non-essential expenditure
Libraries & Heritage					
Creative Development	0	(2,000)	0	(2,000)	Savings from non-essential expenditure
Libraries & Heritage	55,150	0	0	0	Overspends previously predicted now funded from the restraint in non-essential expenditure
Art Gallery	95,213	77,621	(40,000)	37,621	Unacheived Costa coffee income of £36k, staff compensation payment of £7, partly offset by the restraint on non-essential expenditure
NS forecast variance	505,526	2,950,741	(2,828,853)	121,888	

2 Forecast Capital Outturn 2009/10 – Community Services

2.1 The forecast capital outturn for 2009/10 for the schemes under the remit of this panel (as at the end of September 2009) is a predicted underspend against budget of **£1.005m**. **Table 4** on the following page provides a summary by scheme.

2.2 It is currently assumed that all resources will be adequately programmed and spent by the year end, with the exception of those below :-

Council resources

- Palfrey Park HLF project delayed to 2010/11
- Walsall Arboretum restoration programme rephased to 2010/11
- DDA for Greenspaces linked to Palfrey Park project which has been delayed to 2010/11

External Grant

- Walsall Arboretum restoration programme delayed to 2010/11 as above
- Walsall Childrens Play Fund delayed until 2010/11

Table 4 – Forecast Capital Outturn 2009/10

Service Area / scheme	Annual Budget £	Year To Date £	Year End Forecast £	Year End Variance £
Council Resources				
<u>Communities & Partnerships Portfolio</u>				
Public Safety				
Improving security in local neighbourhoods	280,066	48,406	280,066	0
Walsall Partnership				
Redhouse Community Centre	300,000	0	300,000	0
<u>Leisure & Culture Portfolio</u>				
Leisure & Culture				
Palfrey Park	75,000	0	0	(75,000)
Walsall Arboretum restoration programme	515,438	47,500	47,500	(467,938)
Allotment improvement programme	43,207	36,700	43,207	0
DDA for Greenspaces	8,948	0	0	(8,948)
Forest Arts Centre roof	120,072	59,290	120,072	0
Local Access Customer Service Bus	6,990	5,254	6,990	0
Contact Centre	138,295	2,128	138,295	0
Libraries & Heritage				
Library modernisation plan	361,603	85,998	361,603	0
Pelsall Library, Childrens Centre & Health Centre	350,000	0	350,000	0
Replacement of Local History Air Conditioning	60,000	0	60,000	0
<u>Children's Services Portfolio</u>				
Leisure & Culture				
Catering secondary school dining redevelopment	21,517	21,174	21,517	0
Total Council Resources	2,281,136	306,449	1,729,250	(551,886)
Externally Funded				
<u>Communities & Partnerships Portfolio</u>				
Public Safety				
Safer Stronger Community Fund	106,655	0	106,655	0
<u>Leisure & Culture Portfolio</u>				
Leisure & Culture				
Free swimming capital reward grant	76,385	40,710	76,385	0
Bloxwich Fountain restoration project	20,081	4,000	20,081	0
George Rose Park lodge landscape	1,788	0	1,788	0
Greenspaces improvement	0	0	0	0
High Heath improvement project	3,290	0	3,290	0
Highfield Road North Playing Fields	2,347	0	2,347	0
NOF for PE and Sport	46,128	0	46,128	0
Palfrey Park HLF	0	0	0	0
Play Builders Programme	531,729	480	531,729	0
Reedwood Park	1,019	1,019	1,019	0
Walsall Arboretum restoration programme	150,000	0	0	(150,000)
Walsall childrens play fund	480,620	17,946	177,171	(303,449)
Willenhall Memorial Park	46,351	0	46,351	0
Willenhall Memorial Park Contribution	25,759	0	25,759	0
Walsall Adult & Community College				
Neighbourhood learning in deprived communities	18,253	17,662	18,253	0
Libraries & Heritage				
Bloxwich Library project	1,269,900	131,762	1,269,900	0
Pelsall Library, Childrens Centre & Health Centre	550,000	0	550,000	0
Total Externally Funded	3,330,305	213,579	2,876,856	(453,449)
Total Community Services	5,611,441	520,029	4,606,107	(1,005,335)