

**ENVIRONMENT
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No. 8**

DATE: 28 JULY 2009

REVENUE & CAPITAL MONITORING – 2009/10 FIRST QUARTER FORECAST

Ward(s) All

Portfolio:

Councillor Flower – Environment
Councillor Ansell – Transport

Summary of report

This report summarises the predicted revenue and capital outturn position for 2009/10, based on the performance for quarter 1 (April to June 2009), for services within the remit of the Environment Scrutiny and Performance Panel.

Recommendation

To note that the 2009/10 forecasted year end financial position for services under the remit of the Environment Scrutiny and Performance Panel, is a predicted revenue variance (underspend) against budget of **£0.203m** (net of use of earmarked reserves), and capital expected to deliver within budget.

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

Date: 15 July 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. Corrective action plans are in place to mitigate overspends within service. 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 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 – Environment

- 1.1 The forecast revenue outturn for 2009/10 for the services under the remit of the Environment Scrutiny and Performance Panel (based on the position as at the end of June 2009) is an underspend against budget of **£0.203m** (net of the use of earmarked reserves). 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 £0.235m, 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		
Street Pride	New waste collection service	64,204
Street Pride	Use of LABGI reserve - Recycling	18,000
Public Protection	Use of LABGI reserve - Enforcement	18,000
Carry forwards from 2008/09		
Street Pride	W2R Legal costs	36,000
Public Protection	Enforcement	10,218
Engineering & Transportation	HMRP contract legal costs	38,302
Carry forwards from 2007/08		
Street Pride	Waste – Fryers Rd Floor Pad	50,000
TOTAL USE OF RESERVES		234,724

Table 2 – Forecast Revenue Outturn 2009/10

Service Area	Annual Budget £	Profiled Budget £	Year To Date £	Variance £	Year End Forecast £	Year End Variance £	Use of reserves £	Variance after Reserves £
Street Pride								
Grounds, Street Cleansing & Pub Cons	5,073,511	1,286,226	1,097,145	(189,081)	5,073,511	(0)	0	(0)
Policy & Performance	(381,396)	(41,336)	(156,195)	(114,859)	(351,396)	30,000	0	30,000
Waste Management	11,581,926	2,513,995	1,733,002	(780,993)	11,400,130	(181,796)	(168,204)	(350,000)
Fleet Services	2,008,246	546,899	350,315	(196,584)	2,033,246	25,000	0	25,000
Fleet Services Leasing replacement programme	392,478	160,482	191,723	31,241	392,478	(0)	0	(0)
Engineering & Transportation								
Pollution Control	671,479	167,871	255,755	87,884	684,178	12,699	0	12,699
Roadworks Management	670,979	167,743	112,582	(55,161)	670,979	0	0	0
Highways Maintenance & Public Lighting	7,445,914	1,114,794	1,190,149	75,355	7,445,914	0	0	0
Transportation & Forward Planning	709,503	184,121	55,709	(128,412)	709,503	0	0	0
Engineering Design & Construction	38,203	9,555	64,313	54,758	80,707	42,504	(38,302)	4,202
Traffic & Transportation General	(60,828)	(15,206)	18,377	33,583	(60,828)	0	0	0
Traffic & Transportation	1,003,727	353,822	366,352	12,530	1,013,330	9,603	0	9,603
Engineering Management	(7,993)	(1,991)	31,056	33,047	(7,993)	0	0	0
Structures & Geotechnics	255,920	85,808	35,488	(50,320)	255,920	0	0	0
Major Projects & Minor Improvements	(10,909)	(2,726)	102,081	104,807	(7,513)	3,396	0	3,396
Built Environment Management	(32,554)	24,824	32,193	7,369	7,850	40,404	0	40,404
Public Protection								
Public Protn Mgmt (Incl. Emerg Planning)	(475,784)	(123,261)	(129,854)	(6,593)	(475,184)	600	0	600
Trading Standards (Incl. Licensing)	1,103,236	273,208	237,968	(35,240)	1,132,599	29,363	(28,218)	1,145
Environmental Health	1,455,183	362,312	353,165	(9,147)	1,455,183	0	0	0
Bereavement Servs (Incl Registrar/Coroner)	(489,089)	(105,967)	(172,836)	(66,869)	(469,089)	20,000	0	20,000
Total Environment	30,951,752	6,961,173	5,768,488	(1,192,685)	30,983,525	31,773	(234,724)	(202,951)

TABLE 3 - ANALYSIS OF REASONS FOR FORECAST VARIANCES

Service Area	JUNE			Explanation of Year End Variance
	Amount £	Reserves £	Actual £	
Street Pride			0	
Policy & Performance	30,000	0	30,000	Traffic island sponsorship – income target currently under review
Waste Management	-181,796	-168,204	-350,000	Reduction in estimated tonnage for waste disposal offset by additional disposal costs for recycled materials and loss of income from trade waste due to closure of local firms. Tonnage based on information for April - June (will be reassessed on a monthly basis)
Fleet Services	25,000	0	25,000	Due to unachievable budget savings and additional costs for employee covering union duties
Engineering & Transportation				
Pollution Control	12,699	0	12,699	Underachievement of income £6k due to changes in central govt pricing structure, and £7k due to falling number of search enquiries requested
Engineering Design & Construction	42,504	-38,302	4,202	Consultants costs higher.
Traffic & Transportation	9,603	0	9,603	Expected shortfall in income.
Major Projects & Minor Improvements	3,396	0	3,396	Expected shortfall in income.
Built Environment Management	40,404	0	40,404	Merger of Public Protection & SWP - awaiting management restructure, and vacancy management
Public Protection				
Trading Standards	29,963	-28,218	1,745	Legal costs (3 cases)
Bereavement Services	20,000	0	20,000	£20k coroner (mortuary fees, accommodation costs and support costs)
Total Environment	31,773	-234,724	-202,951	

2 Forecast Capital Outturn 2009/10 – Environment

- 2.1 The forecast capital outturn for 2009/10 for the schemes under the remit of this panel (as at the end of June 2009) is currently assumed to be on budget – that all resources will be adequately programmed and spent by the year end. **Table 4** provides a summary by service.

Table 4 – Forecast Capital Outturn 2009-10				
Service Area / scheme	Annual Budget £	Year To Date £	Year End Forecast £	Year End Variance £
Mainstream				
Street Pride				
Essential repairs to Norfolk Place Depot	163,500	0	163,500	0
Engineering & Transportation				
Bridge strengthening	70,132	9,602	70,132	0
Bridgman Street Car Park	15,000	0	15,000	0
Disabled facilities at pedestrian crossings	56,663	35,155	56,662	0
Highways Maintenance	860,412	0	860,412	0
LTP	2,344,740	3,676	2,344,740	0
Town Centre Transport Package	797,000	0	797,000	0
Walsall TCTP Ring Road acquisition	630,000	0	630,000	0
Public Protection				
Registry Office upgrade	80,936	23,507	80,936	0
Streetly Cemetery mercury abatement	65,200	0	65,200	0
Memorial safety	100,000	8,305	100,000	0
Total Mainstream	5,183,583	80,245	5,183,582	0
Non Mainstream				
Street Pride				
Waste Infrastructure Capital Grant	567,278	0	567,278	0
Engineering & Transportation				
Specific Road Safety Grant	29,783	1,370	29,783	0
TCTP	1,708,890	528,653	1,708,890	0
Total Non Mainstream	2,305,951	530,023	2,305,951	0
Total Environment	7,489,534	610,268	7,489,534	0