

22 September 2011

2010/11 FINAL BUDGETARY POSITION PRE-AUDIT

Ward(s) All

Portfolio:

Councillor Andrew— Regeneration

Summary of report

This report summarises the outturn revenue and capital position for the year ended 2010/11, subject to external audit, for services within the remit of the Regeneration Scrutiny and Performance Panel.

Recommendation

To note that the 2010/11 year end financial position for services under the remit of the Regeneration Scrutiny and Performance Panel, is a revenue variance (under spend) against budget of **£737k** (net of use of earmarked reserves/carry forwards), and a capital under spend of **£3k** (net of approved slippage into 2011/12).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout year
2010/11 Budget Book on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2010/11.

Signed:



Chief Finance Officer: James T Walsh

Executive Director: Tim Johnson

Date: 8 August 2011

Date: 6 September 2011

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:

Chris Knowles, Lead Accountant,
☎ 01922 652964, ✉ knowlesc@walsall.gov.uk

Revenue Outturn 2010/11 – Regeneration Directorate

- .1 The revenue outturn for 2010/11 for the services under the remit of the Regeneration Scrutiny and Performance Panel is an under spend against budget of **£737k** (net of the use of earmarked reserves and a carry forward of central contingency funding). 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 2010/11						
Service Area	Annual Budget £	Final Outturn £	Year End Variance £	Variance Net of Reserves £	Carry Forwards £	Adjusted Variance £
Property Services	4,865,075	4,815,326	-49,749	-332,755	61,256	-271,499
Regeneration	10,376,297	9,978,938	-397,359	-187,029	1,740	-185,289
Housing	5,832,183	4,982,637	-849,546	-281,171	0	-281,171
BSF	37,399	37,939	540	540	0	540
New Deal	205	205	0	0	0	0
TOTAL REGENERATION	21,111,159	19,815,045	-1,296,114	-800,415	62,996	-737,419

- .2 The budget for 2010/11 included approved savings of £1.080m. All savings targets were met for 2010/11.
- .3 The outturn includes use of reserves of £0.615m where approval was given by Cabinet for additional funds for specific services, and also transfers to reserves. **Table 2** provides a summary of these.

Table 2 – Net transfers to reserves		
Service	Detail	£
Regeneration	Development and delivery grant	134,689
Regeneration	Development and delivery grant (Department for Communities and Local Government (DCLG))	48,630
Regeneration	DCLG Planning	34,356
Regeneration	Planning - S106	49,274
Regeneration	Building Control Income	27,835
Regeneration	Planning - Coal Authority	8,444
Regeneration	Planning - Severn Trent	6,507
Regeneration	Empty Shops Fund	35,666
Regeneration	Shopmobility Contributions	7,913
Regeneration	Housing Planning and Delivery Grant	189,263
Housing	Rough Sleepers	100,000
Housing	Private Housing and Health Safety	74,333

Housing	Prevention Grant	133,146
Housing	Repossession Prevention Grant	79,869
Housing	Handyman Grant Funded	181,028
Transfers to reserves		1,110,952
Regeneration	Redundancy costs	-163,064
Property Services	Redundancy costs	-18,269
Property Services	Carbon Trust	-12,000
Property Services	Water	-2,980
Property Services	Civic fire risk assessment	-91,563
Property Services	Asset management project	-120,695
Property Services	Non condition surveys	-37,499
Regeneration	LABGI - shopmobility	-13,298
Regeneration	LABGI - economic regeneration	-40,000
Regeneration	New Deal redundancy	-115,885
Use of Reserves		-615,253
Net transfer to reserves		495,699

- .4 The outturn also includes £62,996 of carry forwards to 2011/12 as follows:
- £44,256 – Darlaston baths works (Property Services)
 - £17,000 – Real time energy systems (Property Services)
 - £1,740 – Acquisition of Freer Street (Regeneration)
- .5 The main reasons for the under spend position for services within the remit of the Panel are as follows:
- Decisions made early in the financial year to freeze non essential spend
 - Over achievement of expected income
 - Holding posts vacant to under spend against salary budgets
 - Full analysis of the variances is shown in **Appendix 1**.

Capital Outturn 2010/11 – Regeneration Directorate

- .1 The capital outturn for 2010/11 for the schemes under the remit of this panel is an under spend against budget of **£6.854m**, of which £6.851m has been approved to be slipped into 2010/11, resulting in a net underspend of **£3k**. **Table 3** overleaf provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 3 - Final Capital Outturn 2010/11					
Service Area	Annual Budget	Final Outturn	Year End Variance	Slippage To	Variance Net of
	£	£	£	2011/12 £	Slippage £
<u>Mainstream Resources</u>					
Property Services:	4,950,940	2,394,694	-2,556,246	2,553,036	-3,210
Regeneration	2,405,418	342,888	-2,062,530	2,062,530	0.00
Housing	1,922,824	1,261,608	-661,216	661,216	0.00
<u>Other Resources</u>					
Regeneration	7,355,692	6,029,036	-1,326,656	1,326,656	0.00
Housing	7,400,630	7,153,529	-247,101	247,101	0.00
Total Regeneration	24,035,504	17,181,755	-6,853,749	6,850,539	-3,210

Appendix 1 – Analysis of Variances

Appendix 1 – Analysis of Reasons for Variances		
Service	Reason/ Explanation for Variance	Variance
Property Services - Maintenance	Maintenance limited to emergency and essential repairs only.	-352,902
Property Services - Redundant Buildings	Security costs incurred prior to the demolition of redundant buildings	256,143
Property Services - Cleaning and Caretaking Client	Income Shortfall of £137k offset by reduction on bad debt provision	130,477
Property Services – Central Office Accommodation	Late rate rebate, under spends on maintenance budgets and private contractor fees	-365,231
Property Services - Curatorial	Additional income achieved	-41,004
Property Services - Plant	Additional income achieved	-18,390
Property Service - Cleaning/Caretaking/ School Crossing Patrol	Over spend on salaries offset by additional income achieved	21,700
Property Services - Estates Mgmt	Unachieved rental income and costs of office accommodation project	132,697
Property Services – Unclassified Land	Rental income shortfall	60,659
Property Services - Shops	Under spend on maintenance costs	-57,322
Property Services – Design & Project Management	Additional fee income achieved	-39,254
Regeneration - Markets	Increased market activity leading to extra income, also some rates refunds.	-214,267
Regeneration - Planning	Under recovery of Income & legal costs £40k	85,781
Regeneration - Strategic Regeneration	Under spend on project, additional salaries charged to projects and legible expenditure increasing income	-74,960
Housing - Housing Standards & Improvements	Salaries - vacant posts, increase charges of staff to grant	-126,103
Housing - Supported Housing	Cut back in out of hours and agency staff costs	-14,616
Housing - HSP	Under spend on salaries and promotion of Housing events.	-140,451
Various other elements		19,626
Total Variance		-737,417

Appendix 2 – Capital by scheme

MAINSTREAM SCHEMES	Total Budget £	2010/11 Total spend £	Variance £	Slippage to 2011/12 £	Over/ (under) spend £
Property Services					
Acquisition of land adj to 17/18 Norton Road, Pelsall	4,650	4,650	0	0	0
Asbestos removal	166,343	166,343	0	0	0
Civic building air condition replacement	459,600	371,191	(88,409)	88,409	0
Darlaston baths roof	200,000	0	(200,000)	200,000	0
Darlaston scout hut	55,000	55,000	0	0	0
Demolition of redundant buildings to save on rates	200,000	197,925	(2,075)	2,075	0
EDC works to driveway	28,819	28,819	0	0	0
Freer Street structural works	350,000	9,759	(340,241)	340,241	0
Planned property maintenance	500,000	483,150	(16,850)	16,850	0
Provision of alternative accommodation to release leased premises	1,883,417	51,961	(1,831,456)	1,831,456	0
Rewire of Walsall gala baths	229,116	229,116	0	0	0
Rewire of Willenhall leisure centre	1,090	1,090	0	0	0
Safe water supplies in council premises	285,912	285,912	0	0	0
Shop maintenance PMI	120,000	90,446	(29,554)	29,554	0
Statutory testing of mechanical and electrical supplies	245,560	201,109	(44,451)	44,451	0
Structural repairs to the central library	4,945	4,945	0	0	0
Walsall town hall asbestos removal	116,488	113,278	(3,210)	0	(3,210)
Smarter Working	100,000	100,000	0	0	0
	4,950,940	2,394,694	(2,556,246)	2,553,036	(3,210)

MAINSTREAM SCHEMES	Total Budget	2010/11 Total spend	Variance	Slippage to 2011/12	Over/ (under) spend
Regeneration					
Acquisition of Cool Trader	678,500	1,500	(677,000)	677,000	0
Environmental regeneration	132,750	17,580	(115,170)	115,170	0
Regenerating Walsall	614,456	124,554	(489,902)	489,902	(0)
Strategic acquisitions	550,000	4,237	(545,763)	545,763	0
Strategic corridors & gateways	125,610	11,077	(114,533)	114,533	0
Town, district and local centres	129,102	8,940	(120,162)	120,162	(0)
Gold mine project (Vine Trust)	175,000	175,000	0	0	0
	2,405,418	342,888	(2,062,530)	2,062,530	0
Housing					
Aids & adaptations	1,922,824	1,261,608	(661,216)	661,216	0
Willenhall Lane travellers site phase 3	0		0		0
	1,922,824	1,261,608	(661,216)	661,216	0
Total Mainstream Regeneration	9,279,181	3,999,190	(5,279,992)	5,276,782	(3,210)

OTHER RESOURCES SCHEMES	Total Budget £	2010/11 Total spend £	Variance £	Slippage to 2011/12 £	Over/ (under) spend £
Regeneration					
Regenerating Walsall	9,511	9,511	0	0	0
Bridge Street/Ablewell Street THI - AWM	150,485	150,485	0	0	0
Bridge Street/Ablewell Street THI - HLF	238,180	155,057	(83,123)	83,123	0
Contributions to town, district and local centres	61,859	61,859	0	0	0
HCA - Moxley infants	24,549	24,549	0	0	0
HCA - Whitworth Close	35,456	35,456	0	0	0
Relocation of Pleck boxing club	35,000	0	(35,000)	35,000	0
Smith House & Thomas House	1,001	1,001	(0)	0	0
Willenhall town centre - Lidl	26,522	26,522	0	0	0
Willenhall THI - HLF	150,000	0	(150,000)	150,000	0
Willenhall THI - VIEW contribution	75,000	0	(75,000)	75,000	0
Bus showcase	1,447,554	1,447,554	0	0	0
LTP grant	3,125,266	2,141,733	(983,533)	983,533	0
Red routes	1,775,308	1,775,308	0	0	0
Congestion Target Fund	200,000	200,000	0	0	0
	7,355,692	6,029,036	(1,326,656)	1,326,656	0
Housing					
Disabled facilities grant	1,219,100	1,219,100	0	0	0
Growth Points - Heathfield Lane West	285,831	213,488	(72,343)	72,343	0
New Growth Points - Walsall					
Waterfront South	247,000	247,000	0	0	0
Kickstart	191,545	16,787	(174,758)	174,758	0
Regional Housing Pot	5,457,154	5,457,154	0	0	0
	7,400,630	7,153,529	(247,101)	247,101	0
Total Other Resources Regeneration	14,756,321	13,182,565	(1,573,757)	1,573,757	0