

10 SEPTEMBER 2015

**CORPORATE FINANCIAL PERFORMANCE - REVENUE AND CAPITAL OUTTURN
2014/15 (PRE-AUDIT), AND UPDATE FOR 2015/16**

Ward(s) All

Portfolio:

Councillor Andrew - Economy, Infrastructure and Development
Councillor Harris - Community, Leisure and Culture
Councillor Harrison – Clean and Green
Councillor Arif - Shared Services and Procurement
Councillor Bennett - Personnel and Business Support

Summary of report

This report summarises the pre-audit revenue and capital outturn position for the year ended 31 March 2015, subject to external audit, and provides an update on the financial position for 2015/16 (based on the performance for the 2 months to May 2015), for services within the remit of the Corporate and Public Services Overview and Scrutiny Committee.

Reason for scrutiny

To inform the committee of the pre-audit financial position for 2014/15 and provide a forecast for 2015/16 to allow the scrutiny of the financial performance of the services within the panel's remit.

Recommendation

1. To note that the pre-audit 2014/15 year end financial position for services under the remit of the Corporate and Public Services Overview and Scrutiny Committee, is a revenue underspend against budget of **£2.000m** (net of use of earmarked reserves and carry forwards), and a capital underspend of **£214k** (net of approved carry forwards into 2015/16).
2. To note that the forecast 2015/16 year end financial position for services under the remit of the Corporate and Public Services Overview and Scrutiny Committee, is a revenue overspend against budget of **£196k** and a capital underspend of **£824k**.
3. Note actions being taken to address areas of overspend.

Background papers

Various financial working papers

Signed:

A handwritten signature in black ink, appearing to be 'J. Walsh', with a stylized flourish at the end.

Chief Finance Officer: James T Walsh
Date: 20 August 2015

A handwritten signature in black ink, appearing to be 'S. Neilson', with a large, sweeping flourish at the end.

Executive Director for Economy and Environment: Simon Neilson
Date: 27 August 2015

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.

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.

Equality Implications

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.

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1 Revenue Outturn 2014/15

- 1.1 The pre-audit revenue outturn for 2014/15 for the services under the remit of the Corporate and Public Services Overview and Scrutiny Committee is an underspend against budget of **£2.000m** (net of the use of earmarked reserves / carry forwards). This position is subject to external audit which will take place during July / August. **Table 1** provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table 1 – Pre-Audit Revenue Outturn 2014/15					
Service	Annual Budget £	Year End Actual £	Year End Variance £	Use of Reserves / Transfer to Reserves £	Variance Net of Reserves (Under)/ Overspend £
Clean and Green Services	22,463,168	22,133,948	(329,220)	(387,191)	(716,410)
Communities & Partnership	2,611,578	3,014,792	403,214	(524,165)	(120,951)
Engineering & Transportation	17,692,859	16,587,142	(1,105,717)	1,157,455	51,739
Leisure & Community Health	1,891,061	1,935,569	44,508	122,476	166,985
Libraries Heritage & Arts	7,172,872	7,457,624	284,752	(468,064)	(183,312)
Regulatory Services	2,547,447	2,562,145	14,698	(172,300)	(157,602)
Property Services	4,126,995	4,570,589	443,594	(688,209)	(244,615)
Planning & Building Control	1,204,915	1,055,698	(149,217)	8,970	(140,247)
Strategic Regeneration	778,233	1,988,645	1,210,412	(1,077,981)	132,431
Development & Delivery	1,103,165	1,790,191	687,026	(558,028)	128,999
Regeneration Management	614,160	624,364	10,204	(47,250)	(37,046)
Smarter Workplaces	636,510	851,880	215,370	(215,370)	0
Communications	83,163	15,663	(67,500)	4,283	(63,217)
Democratic	2,172,470	2,077,556	(94,914)	(10,774)	(105,688)

Services					
Electoral Services	690,231	618,805	(71,426)	71,426	(0)
Finance	2,207,427	1,566,072	(641,355)	(18,068)	(659,423)
Human Resources	329,824	102,714	(227,110)	(28,307)	(255,417)
Internal Audit	11,179	0	(11,179)	(82,724)	(93,903)
Legal	(301,037)	(1)	301,036	(308,041)	(7,005)
Money Home Job	8,363,878	8,692,749	328,871	(378,452)	(49,581)
Procurement	(240,062)	1	240,063	(240,064)	(1)
Programme	(145,664)	64,181	209,845	(216,903)	(7,058)
Delivery					
Revenues	0	0	0	0	0
Shared Services*	674,747	485,433	(189,314)	(119,918)	(309,233)
	76,689,11	78,195,76	1,506,645	(4,177,197	(2,670,553
TOTAL	9	4))
Approved carry forwards from 2014/15 to 2015/16					670,793
TOTAL NET OF CARRY FORWARDS					(1,999,760
)

*Shared Services comprises ICT, Print and Design and the Post Room

1.2 The budget for 2014/15 included approved savings of £7.779m. £7.499m (96%) of these savings were achieved. Three savings were not achieved:

- £8k additional income within libraries, mitigated by other underspends
- £85k for alternative funding or withdrawal of category two school crossing patrol wardens. This saving was withdrawn by Cabinet.
- £188k savings for integrating procurement expertise within services was funded via reserves

1.3 The outturn includes net use of reserves of £4.177m where approval was given by Cabinet for additional funds during 2014/15 or to transfer funding to future years to meet the cost for specific services. These are summarised in **Appendix 2** below.

1.4 Carry forwards are a means of recognising sound budget management by allowing the transfer of planned revenue underspends and / or achieved revenue savings, excluding the use of windfalls / unplanned underspends / savings from one year to the next. Approval for carry forward rests with Cabinet, on the advice of the Chief Financial Officer, taking into consideration the corporate outturn position.

1.5 Total revenue carry forward requests of £671k were approved by Cabinet on 24 June 2015, and a breakdown is provided below –

- £266,000 Clean & Green - additional costs of waste disposal
- £25,000 Clean & Green - water recycling system for vehicle wash
- £50,000 Clean & Green - consultancy costs for waste collection
- £100,000 Communities & Partnerships - Area Partnerships

- £9,892 Communities & Partnerships - Ryecroft Hub
- -£15,605 Leisure & Community Health - catering overspend
- £87,179 Leisure & Community Health - Japanese knotweed
- £5,000 Planning & Building Control - Match funding
- £44,787 Human Resources - Trent Upgrade
- £46,915 Internal Audit - Temporary Staff and specialist IT audit work
- £51,625 Shared Services - one off revenue costs "bring your own device"

2 Capital Outturn 2014/15

- 2.1 The capital outturn for 2014/15 for the schemes within the remit of the committee is an underspend against budget of **£8,881k**, of which £8,667k has been approved for carry forward into 2015/16, resulting in a net underspend of **£214k**. **Table 2** below provides a summary by scheme.
- 2.2 Carry forwards are primarily due to delays in schemes or by their very nature being long multi year projects.

Table 2 – Pre-Audit Capital Outturn 2014/15

Service	Annual Budget £	Final Outturn £	Year End Variance £	Carry forward to 2015/16 £	Variance Net of c/fwds £
<u>Council Funded Schemes</u>					
Allotment and community garden strategy - Borneo Street	9,947	580	-9,367	-9,367	0
Allotment Improvement Programme	15,000	0	-15,000	-15,000	0
Allotments	6,027	6,027	0	0	0
Arboretum Play Area	4,477	3,980	-497	-497	0
Clayhanger Park skate park	80,000	0	-80,000	-80,000	0
George Rose Park	31,243	31,240	-3	0	-3
Greenspace improvement plan	77,473	77,453	-20	0	-20
Log Shed (RCCO)	10,569	10,569	0	0	0
Mayrise System Mobile Working	40,000	40,000	0	0	0
Restoration and Renovation of Broadway West Playing Fields	75,000	0	-75,000	-75,000	0
Walsall Arboretum Car Park Resurfacing	170,000	3,350	-166,650	-166,650	0
Walsall Arboretum Embankment	981,000	981,000	0	0	0
Walsall Arboretum Restoration Programme - illuminated Park proposals	270,000	145,478	-124,522	-124,522	0
Walsall Green Pathways	63,389	63,389	0	0	0
Willenhall Memorial Park	67,007	8,646	-58,361	-58,361	0
Vehicles purchased	144,980	144,980	0	0	0
Fryers Road Sprinkler System	268,000	0	-268,000	-268,000	0
Ryecroft Neighbourhood Resource Centre	129,000	129,000	0	0	0

Improving security in local neighbourhoods	4,225	0	-4,225	-4,225	0
Darlaston Community Association	253,875	253,875	0	0	0
Walsall TCTP ring road acquisition	100,000	7,812	-92,188	-92,188	0
Highways maintenance	1,958,670	1,958,635	-35	0	-35
Retained Housing Land	119,489	116,862	-2,627	-2,627	0
Lighting to save initiatives	11,986	8,688	-3,298	0	-3,298
Public Lighting Invest to Save for replacement LED lighting	230,798	230,798	0	0	0
A34 Birmingham Road	63,000	63,000	0	0	0
Footpath Highfield Road, Pelsall	15,607	0	-15,607	0	-15,607
New Invention car park	13,436	10,620	-2,816	0	-2,816
Pelsall Road flood alleviation scheme	7,105	7,105	0	0	0
Traffic signals infrastructure conversion LED signal operation	41,017	41,017	0	0	0
Valley Road	10,000	13,790	3,790	0	3,790
Verge Parking	124,711	121,835	-2,876	0	-2,876
Headstone safety in Cemeteries	50,851	50,851	0	0	0
Land purchase Bloxwich	45,000	45,000	0	0	0
Willenhall EACT Academy Swimming Pool Changing Provision	33,342	0	-33,342	-33,342	0
Forest Arts Centre (renovation of sports hall)	198,800	183,913	-14,887	-9,646	-5,241
Bentley Community Facility	30,000	30,000	0	0	0
Libraries Universal Digital Offer	67,540	67,079	-461	0	-461
Acquisition of Art Work (NAG) (RCCO)	22,076	22,076	0	0	0
The New Art Gallery Walsall	82,302	82,301	-1	0	-1
Refurbishment & upgrade of college facilities & premises	71,067	71,067	0	0	0
Refurbishment & Upgrade of IT	63,258	63,258	0	0	0
Acquisition of Lex	280,000	280,000	0	0	0
Enabling works to Office development (Gigaport)	470,126	343,903	-126,223	-126,223	0
New Homes Bonus	174,440	174,440	0	0	0

Project Verne	50,000	50,000	0	0	0
RCCO (BCPIP)	1,661	1,660	-1	0	-1
Regenerating Walsall	319,453	135,299	-184,154	-184,154	0
Walsall Market	20,000	0	-20,000	-20,000	0
Replacement dev management,building control & land charge ICT system	113,700	68,045	-45,655	-31,655	-14,000
Rushall Olympic Football Club	135,000	18,124	-116,876	-116,876	0
Asbestos Removal	65,977	65,977	0	0	0
Collingwood Centre Roof	108,675	108,675	0	0	0
Demolition of redundant buildings to save on rates	100,170	100,170	0	0	0
Freer Street structural works	9,854	4,107	-5,747	-5,747	0
Planned property maintenance	219,537	219,537	0	0	0
Replace heating & ventilation system within First Stop Shop	100,000	0	-100,000	-100,000	0
Replace heating & ventilation system within link block	100,000	0	-100,000	-100,000	0
Safe water supplies	104,105	104,105	0	0	0
Shop maintenance	153,137	136,088	-17,049	-17,049	0
Solar PV panels	425,000	1,656	-423,344	-423,344	0
Statutory Testing	119,176	119,176	0	0	0
Civic Centre essential maintenance	376,171	0	-376,171	-376,171	0
Fire risk assessment	87,908	87,908	0	0	0
Improving the customer experience when visiting the Council House	95,279	95,279	0	0	0
Risk Management	3,895	3,895	0	0	0
Uninsured Property Damage	450	450	0	0	0
HR itrent upgrades (RCCO)	28,533	28,533	0	0	0
Aids and adaptations	1,866,528	1,816,227	-50,301	-50,301	0
Health through warmth and related Retro Fit schemes	400,164	61,373	-338,791	-165,791	-173,000

Rivers House	25,321	18,345	-6,976	-6,976	0
DRFS - Exchange Upgrade	133,569	133,569	0	0	0
Bring your own device security layers	28,465	2,940	-25,525	-25,525	0
Council wide IT planned rolling replacement and upgrade	537,697	220,358	-317,339	-317,339	0
Essential Enhancement to Data Security Systems	14,488	14,488	0	0	0
ICT essential maintenance virtual server infrastructure	74,000	74,000	0	0	0
ICT essential software licence charges	46,000	36,814	-9,186	-9,186	0
ICT requirements to cater for blending transitioned services	113,500	113,501	1	0	1
Improvements to ICT security (protection of council information)	18,000	17,788	-212	0	-212
Increase Council Internet Security	14,500	14,220	-280	0	-280
N3 Link for Public Health	4,428	4,428	0	0	0
Replace essential Wide Area Network data circuits	16,945	1,445	-15,500	-15,500	0
Replenish smarter workplaces capital	152,200	84,534	-67,666	-67,666	0
Total Council Funded	13,169,319	9,856,331	-3,312,988	- 3,098,928	-214,060
<u>Externally Funded Schemes</u>					
Active Living - Bloxwich (PWLb)	1,784,395	1,784,395	0	0	0
Active Living - Oak Park (PWLb)	1,422,527	1,422,527	0	0	0
Walsall arboretum restoration programme	238,646	238,646	0	0	0
Primark & Co-op development	5,855,669	4,385,930	-1,469,739	- 1,469,739	0
Smarter Workplaces - Property (Prudential)	519,001	138,743	-380,258	-380,258	0
Smarter Workplaces - Workplace Solutions	88,422	88,422	0	0	0
Finance Direct/Oracle	165,601	33,921	-131,680	-131,680	0

King George v playing fields S106	150,522	137,716	-12,806	-12,806	0
Palfrey Park	6,994	0	-6,994	-6,994	0
Recreating the Croft	2,288	2,288	0	0	0
Waste infrastructure capital grant	252,336	28,396	-223,940	-223,940	0
Additional Highway Maintenance emergency road repairs	251,947	251,947	0	0	0
Additional Highway Maintenance pothole funding	448,614	448,614	0	0	0
Development of Highways Asset Management Plan (HAMPS)	50,499	30,099	-20,400	-20,400	0
Local Highways Maintenance Funding	188,000	187,999	-1	0	-1
LTP Highway Maintenance - Bridges	262,945	165,685	-97,260	-97,260	0
LTP including bridge strengthening	508,058	13,755	-494,303	-494,303	0
Low emission Strategy	1,990	1,381	-609	-609	0
Caldmore Road one way scheme	125,000	0	-125,000	-125,000	0
Harden Road Goscote	136,915	47,915	-89,000	-89,000	0
Land North of Leamore Lane	2,435	2,435	0	0	0
LTP Highway Maintenance	1,332,663	1,332,662	-1	0	-1
Pelsall Village Centre	144,064	7,600	-136,464	-136,464	0
Art works gifted/donated to NAG (accounting entry only)	1,755,320	1,755,320	0	0	0
The New Art Gallery Walsall (Grant)	196,098	147,970	-48,128	-48,128	0
Walsall arboretum restoration programme	1,822,453	1,817,918	-4,535	-4,535	0
Black Country Business Property Investment Programme (BCPIP)	11,622	11,622	0	0	0
Black Country Enterprise Zone	115,017	61,326	-53,691	-53,691	0
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	285,997	129,281	-156,716	-156,716	0
Willenhall Townscape Heritage Initiative - VIEW	139,012	139,012	0	0	0
Darlaston SDA	5,897,793	4,319,624	-1,578,169	- 1,578,169	0

Local Sustainable Transport Fund	254,869	254,869	0	0	0
Local Transport Plan (LTP)	1,489,977	1,269,814	-220,163	-220,163	0
LTP Black Country quick wins 2	67,426	63,376	-4,050	-4,050	0
Regenerating Walsall - Private Sector Contribution	15,353	0	-15,353	-15,353	0
Old Square - Contribution from Zurich	8,982	0	-8,982	-8,982	0
Aids and Adaptations - external contributions	418,995	129,461	-289,534	-289,534	0
Disabled facilities grant	1,390,118	1,390,118	0	0	0
Investing in working smarter	50,466	50,466	0	0	0
Total Externally Funded	27,859,029	22,291,253	-5,567,776	- 5,567,774	-2
TOTAL	41,028,348	32,147,584	-8,880,764	- 8,666,702	-214,062

3. Forecast Revenue Outturn 2015/16

3.1 The forecast revenue outturn for 2015/16 for the services under the remit of the Corporate and Public Services Overview and Scrutiny Committee (as at the end of May 2015) is an overspend of £195k net of the use of earmarked reserves. The predicted revenue outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year end forecast and achievement of approved savings.

3.2 **Table 3** shows the forecast outturn for each service:

Table 3 - Forecast Revenue outturn 2015/16						
Service	Annual Budget £k	Year End Actual £k	Year End Variance £k	Use of Reserves / Transfer to Reserves £k	Action Plan £k	Variance Net of Reserves (Under)/ Overspend £k
Development & Delivery	350	1,173	823	(472)	(92)	259
Planning & Building Control	442	500	58	(58)	(50)	(50)
Property Services	3,309	3,685	377	(1)	(199)	177
Regeneration Management	45	300	255	(255)		
Smarter Workplaces	217	415	198	(198)		
Strategic Regeneration	459	2,408	1,949	(1,949)		()
Clean and Green Services	17,743	18,060	317	(264)	(140)	(87)
Communities & Partnership	698	810	112	(141)		(30)
Engineering & Transportation	10,379	9,881	(497)	497		()
Leisure & Community Health	282	400	118	(169)	(166)	(216)
Libraries Heritage & Arts	6,015	6,025	10	(48)		(38)
Regulatory Services	1,662	1,637	(25)	(21)		(46)
Communications	226	201	(24)			(24)
Democratic Services	1,781	1,788	7	(3)		5
Electoral Services	498	498	()			()
Finance	3,970	3,902	(68)			(68)

Human Resources	2,867	2,885	18	(33)		(16)
Internal Audit	423	483	60	(60)		
Legal	1,528	1,540	12	(12)		
Money Home Job	5,477	7,281	1,803	(1,194)		609
Procurement	436	741	305	(305)		
Programme Delivery	951	1,040	89	(113)		(24)
Shared Services	4,678	4,482	(197)			(197)
Walsall Adult Community College	55	(208)	(263)	263		
Area Partnerships	189	672	483	(483)		()
Community Development	938	880	(58)			(58)
	65,617	71,477	5,860	(5,017)	(647)	196

3.3 The predicted outturn includes use of reserves of £6,379k (where approval has been given by Cabinet for additional funds for specific services) and requests for transfer to reserves of £1,362k.

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

- Development and delivery – underachievement of markets income
- Planning and building control – action plan contribution of £50k from stationery and misc underspends
- Property Services – shortfalls in income
- Clean and Green – salary and other underspends
- Leisure – salary underspends
- Finance – holding of posts vacant in advance of 2016/17 savings proposals
- Money Home Job – overspend of £889k for supporting vulnerable clients with their accommodation, which reduces to £609k by keeping posts vacant and making use of one-off grants within their service.
- Shared Services – efficiencies in supporting the education development centre
- Community Development – healthwatch contract below budget

3.5 Where overspends are predicted, managers are required to identify remedial action that can be made within service, and to report as part of a directorate action plan, which is summarised below and totals £647k;

- £51k surplus income from shops
- £25k surplus income from bereavement

- £100k fuel underspends
- £40k additional Clean and Green income
- £141k additional Catering income
- £41k from vacant posts in Development and Delivery
- £50k on stationery in Planning
- £52k additional Cleaning income
- £70k additional Caretaking income
- £50k additional schools income
- £27k from a vacant post in building services

3.6 **Appendix 3** details the risks associated with this forecast and the total financial exposure to risk has been calculated as £1,526k. 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 a certainty, it will then form part of the overall forecast, and actions will need to be identified and implemented to offset any resulting pressure.

3.7 Included within the approved budget for 2015/16 are £6,320k of approved savings relating to services within the remit of this committee (details are available in the corporate budget book). An update on the achievement of 2015/16 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. No savings are reported as unachievable at this stage.

4 Capital Outturn 2015/16

4.1 The forecast capital outturn for 2015/16 for the schemes under the remit of this panel (as at the end of May 2015) is an underspend of **£824k**, as shown in **table 4** below.

Table 4 - Forecast Capital Outturn 2015/16					
Service	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward	Carry Forward to 2016/17
	£'000	£'000	£'000	£'000	
<u>Council Funded</u>					
<u>Clean and Green Services</u>					
Allotment and community garden strategy - Borneo Street	46		46		
Allotment Improvement Programme	25	2	25		

Arboretum Play Area					
Clayhanger Park skate park	80		80		
Leamore Park additional funding	14		14		
Mayrise System Mobile Working	138		138		
Restoration and Renovation of Broadway West Playing Fields	75		75		
Walsall Arboretum Car Park Resurfacing	167		167		
Walsall Arboretum Restoration Programme - illuminated Park proposals	125		125		
Walsall Green Pathways	27	2	27		
Willenhall Memorial Park	58		58		
Depot relocation		(30)			
Fryers Road Sprinkler System	268		268		
<u>Communities & Partnership</u>					
Improving security in local neighbourhoods	4		4		
<u>Development & Delivery</u>					
Rushall Olympic Football Club	117		117		
Lex remediation	405		40	(365)	(365)
Enabling works to Office development (Gigaport)	126	15	126		
New Homes Bonus	343	7	343		
Black Country Business Property Investment Programme (BCPIP)	2		2		
Regenerating Walsall	168	22	168		
Shop maintenance	17		17		
Walsall Market	270		150	(120)	(120)
<u>Engineering & Transportation</u>					
Walsall Town Centre Transport Package ring road acquisition	92		92		
Additional Highway Maintenance- council funded	100	100	100		
Highways maintenance	1,641	137	1,641		
Retained Housing Land	53	16	53		
Public Lighting Invest to Save for replacement LED lighting	272	3	272		
Replacement of obsolete traffic signal control equipment	200		200		
Traffic signals infrastructure conversion LED signal operation	654		654		
<u>Leisure & Community Health</u>					

Headstone safety in Cemeteries	60	19	60		
Gala baths refurbishment	1,000		1,000		
Willenhall EACT Academy Swimming Pool Changing Provision	75		75		
<u>Libraries Heritage & Arts</u>					
Forest Arts Centre (renovation of sports hall)	10	5	10		
Bentley Community Facility	115	21	115		
Libraries Universal Digital Offer	55		55		
Single Library Management System	210		110	(100)	
The New Art Gallery Walsall	43	1	43		
<u>Planning & Building Control</u>					
Replacement dev management, building control & land charge ICT system	32		32		
<u>Property Services</u>					
Asbestos Removal	62		62		
Collingwood Centre Roof		(42)			
Demolition of redundant buildings to save on rates	77	5	77		
Freer Street structural works	12	7	12		
Kings Hill Park outdoor gym					
Planned property maintenance	160		160		
Replace heating & ventilation system within First Stop Shop	100		100		
Replace heating & ventilation system within link block	100		100		
Safe water supplies	137	17	137		
Solar PV panels	423		423		
Statutory Testing	146	9	146		
Civic Centre essential maintenance	566	355	566		
Fire risk assessment	69	6	69		
<u>Finance</u>					
Finance direct/Oracle	132	103	132		
<u>ICT</u>					
ICT requirements to cater for blending transitioned services	332	1	332		
Council wide IT planned rolling replacement and upgrade	317	16	317		
Essential upgrades to Windows 2003 servers	110	9	110		
Bring your own device security layers	51		51		
Essential upgrade to Blackberry	17		17		

server					
Replace essential wide area network data circuits	16	4	16		
ICT essential software license changes	9		9		
<u>Money Home Job</u>					
Aids and adaptations (statutory element)	800	11	800		
Health through warmth and related retro fit schemes	316	4	316		
Rivers house	7	3	7		
<u>Smarter Workplaces</u>					
Replenish smarter workplaces capital pot	68	13	68		
Total Council Funded	11,111	842	10,526	(585)	(485)
<u>Externally funded</u>					
<u>Clean and Green Services</u>					
King George v playing fields S106	13	11	13		
Palfrey Park	7		7		
Pleck Park synthetic cricket wickets					
Recreating the Croft					
Reedwood Park	53		53		
Waste infrastructure capital grant	237	7	237		
<u>Development & Delivery</u>					
Black Country Business Property Investment Programme (BCPIP)	63		63		
Black Country Enterprise Zone	54	(40)	54		
Old Square - Zurich Contribution	9	9	9		
Regenerating Walsall - Private Contributions	15		15		
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	448	25	448		
<u>Engineering & Transportation</u>					
Development of Highways Asset Management Plan (HAMPS)	81		81		
LTP Highway Maintenance - Bridges	2,002	10	2,002		
LTP including bridge strengthening 2010/11	400	8	400		
Low emission Strategy	1		1		
Caldmore Road one way scheme	125		125		
Pedestrian Crossing on Northgate	50		50		

Capital Block DFT Fund	2,004	189	2,004		
<u>Leisure & Community Health</u>					
Active Living Bloxwich (Grant)	994		994		
Active Living Oak Park (Grant)	1,163		1,163		
<u>Libraries Heritage & Arts</u>					
Pelsall Village Centre	136		136		
The New Art Gallery Walsall (Grant)	360	4	360		
<u>Strategic Regeneration</u>					
Growth Deal	29,950	81	29,950		
Darlaston SDA	6,523	2,054	6,523		
Local Transport Plan (LTP)	737	82	733	(4)	
LTP Black Country quick wins 2	4		4		
LTP Integrated Transport Block	858	74	862	4	
Development & Delivery					
Primark & Co-op development	1,244	845	1,005	(239)	
<u>Leisure & Community Health</u>					
Active Living - Bloxwich	8,141	1,873	8,141		
Active Living - Oak Park	9,518	1,772	9,518		
<u>Smarter Workplaces</u>					
Smarter Workplaces - Property	380	1	380		
<u>Clean and Green Services</u>					
Walsall arboretum restoration programme	527	5	527		
<u>Money Home Job</u>					
Disabled facilities grant	1,632	176	1,632		
Contribution aids and adaptations	290		290		
Total Externally Funded	66,097	7,010	65,858	(239)	
Total Capital	77,209	7,852	76,384	(824)	(485)

4.2 The year end variance not to be carried forward of £339k is due to underspends on the library management system and the Primark development.

Appendix 1 – Explanation of 2014/15 Revenue Variations by Service

Service	Reason / explanation for variance	Variance £
Clean and Green Services	Vacant posts and reduction in agency spend	-716,410
Communities & Partnership	Vacant posts, maternity and Voluntary Reduced Time savings partly offset by increased £100k contribution to Walsall Voluntary Action	-120,951
Engineering & Transportation	One off impact due to unrecoverable debts. Additional drainage and maintenance work (£200k) and shortfall in parking income (£170k) offset by salary and other underspends	51,739
Leisure & Community Health	Redundancy and pension costs (£90k) plus shortfalls in income on the Town Hall Restaurant and Bistro (£75k)	166,985
Libraries Heritage & Arts	Underspends on vacant posts	-183,312
Regulatory Services	Underspends on employees due to maternity and leavers during year	-157,602
Property Services	Underspends on professional fees (£160k) and salaries	-244,615
Planning & Building Control	Additional income (£70k) and underspends on salaries (£30k) and centralised stationery (£34k)	-140,247
Strategic Regeneration	Reduced use of Walsall Works reserve to support extension of Economic Growth Plan	132,431
Development & Delivery	Under recovery of income (£190k) offset by a vacant post	128,999
Regeneration Management	Fees underspend (£30k)	-37,046
Communications	Underspend due to keeping posts vacant	-63,217
Democratic Services	Underspend due to lower level of Members' Allowances claimed (£85k) and lower Members' Pension Contributions (£15k). Underspend on employees due to reduced hours (£6k).	-105,688
Finance	Predominantly underspends on staffing including the use of agency (£522k) and additional commission income in risk and insurance (£137k)	-659,423
Human Resources	Changes to the bad debt provision (£130k), underspends across staffing budgets including the use of agency	-255,417

	(£6k), reduction of costs of contracts within the Occupational Health service (£75k). Carry forward for trent upgrade (£45k)	
Internal Audit	Underspend due to keeping posts vacant (£75k) offset by agency staff costs £33k. Underspend on Supplies & Services (£11k)	-93,903
Legal	Underspend due to keeping posts vacant (£7k).	-7,005
Money Home Job	A net overspend of £1.4m relating to supporting vulnerable clients where full costs are not reimbursed through housing benefit subsidy, offset by underspends due to keeping posts vacant across the service and use of reserves allocated to the service which leaves a net underspend of £50k.	-49,581
Programme Delivery	Underspend due to keeping posts vacant.	-7,058
Shared Services	Underspend due to keeping posts vacant	-309,233
TOTAL VARIANCE		- 2,670,553

Appendix 2 - Analysis of 2014/15 Earmarked Reserves		
Service	Amount (£)	Explanation
Use of Reserves		
Bereavement Services	-41,634	Willenhall Lawn Cemetery feasibility
Bryntysillio	-59,068	Legal fees
Catering	-43,866	Pension and redundancy costs
Clean and green	-466,732	Grants and pension / redundancy costs
Communities & Partnerships	-666,686	Hub and partnership funding. Redundancy costs
Development & Delivery	-565,405	LEX, grants, uncapsitalised expenditure
Engineers	-336,182	Redundancies, highways insurance
Forest Arts Centre	-200,503	Pension and redundancy costs
Leisure & Community Health	-84,059	Grants
Libraries, Heritage & Arts	-244,995	Grants and pension / redundancy costs
Local History Centre	-10,353	Redundancy costs
New Art Gallery	-46,628	Redundancy costs
Partnerships -	-15,277	Grants
Community safety Planning & Building Control	-149,885	Land charges legal case
Property Services	-790,209	Mediation, redundancies and property review
Regeneration Management	-47,250	Black Country Transport Director
Regulatory Services	-62,912	Legal fees and pension / redundancies
Smarter Workplaces	-215,370	Project costs
Sports Development	-19,060	Pension and redundancy costs
Strategic Regeneration	-	Various grants and Walsall Works
	1,088,925	
Walsall partnerships	-49,700	Area partnerships
Communications	-3,078	Pension and redundancy costs
Democratic Services	-10,774	Pension and redundancy costs
Electoral Services	-16,062	Maximising Registration
Finance	-18,068	Pension and redundancy costs
Human Resources	-41,307	Pension and redundancy costs
Internal audit	-82,724	Pension and redundancy costs
Legal	-527,594	Mediation reserve
Money Home Job	-	Redundancies, new homes bonus, previous years additional income
	1,131,653	
Procurement	-240,064	Contract review
Programme Delivery	-216,903	Pension and redundancy costs, information management project
Shared services	-119,918	Pension and redundancy costs
Subtotal	-	
	7,612,844	
Transfer to reserves		

Clean and green	96,475	Natural England and Section 106 money
Communities & Partnerships	85,111	Various initiatives
Development & Delivery	7,377	Section 106 money
Engineers	1,431,704	Grants, PFI, bus lane enforcement
Leisure & Community Health	134,968	Grants and Bereavement Levy
Libraries, Heritage & Arts	11,046	Art gallery grants
Planning & Building Control	158,855	Section 106 money
Regulatory Services	13,000	Healthy workforce
Strategic Regeneration	10,944	Grants
Communications	7,361	Overprovision of redundancy cost
Human Resources	13,000	Overprovision of redundancy cost
Money Home Job	753,201	Grants
Subtotal	2,723,042	
Windfall Income		
Catering	79,404	Additional income
Clean and green	45,000	Trade waste
Libraries, Heritage & Arts	23,369	Bookstart
Leisure & Community Health	155,791	Environmental Levy and Exclusive Burial Rights
Property Services	102,000	Shops rental income
Electoral services	87,488	European election
Legal services	219,553	Planning income
Subtotal	712,605	
Net use of reserves	-	
	4,177,198	

Appendix 3 - Risks

SERVICE AREA	POTENTIAL RISK	HIGHEST COST £'000	RISK £'000	TOTAL ESTIMATED EXPOSURE £'000
	LOW RISKS			
Integrated Facilities Management	Redundant buildings excess costs	50	Low	10
Integrated Facilities Management	Backdated energy costs	25	Low	5
Integrated Facilities Management	Pressures on cleaning and caretaking contracts if over-recovering contracts drop out during financial year.	50	Low	10
Clean and Green	Possible increase in insurance claims due to lower maintenance of trees	7	Low	1
Clean and Green	Possible loss of income (mainly trade waste)	21	Low	4
Regulatory Services	Unknown court costs arising from prosecutions	115	Low	23
Regulatory Services	Unknown court costs arising from licensing act appeals	150	Low	30
Regulatory Services	Unknown court costs arising from taxi/private hire appeals	20	Low	4
Regulatory Services	Incursion of additional unauthorised encampments	50	Low	10
Regulatory Services	Incident(s) of infectious disease either in animal health or human e.g. ecoli, legionnaires	75	Low	15
Leisure	Possible failure to make additional income	49	Low	10
Catering	Loss of contracts	75	Low	15
Money Home Job	Risk of providing support to residents as part of the council tax hardship scheme	72	Low	14
Electoral Services	Continual risk of by-election in year	30	Low	6
Legal Services	Risk of further agency staff in legal services. Specialist advice may have to be commissioned if such cases are brought against the council	50	Low	10
Leisure Centres	Request for Council contribution to free swimming for under 16s is not agreed	85	Low	17
	TOTAL LOW RISK	924	Low	185

	MEDIUM RISKS			
Planning & Building control	Lower land charges fee income due to lower demand	50	Medium	20
Libraries	Inability to achieve income target through the reduction in the number of libraries from 16 to 8 over the next 2 years and the change in charges if joining a Black Country Library Management System.	8	Medium	3
Regulatory Services	Increase in the cost of kennelling stray dogs.	24	Medium	10
Regulatory Services	Increase in the number of stray dogs due to economic conditions	25	Medium	10
Regulatory Services	Incursion of additional unauthorised encampments	50	Medium	20
Regulatory Services	Underachievement of pest control income due to a cold summer	15	Medium	6
Regulatory Services	Burial costs where there is no known family	20	Medium	8
Engineering & Transport	Funding to address repairs and maintenance to road traffic signs concerns resulting from budget reductions	15	Medium	6
Engineering & Transport	Reduction in usage of car parks or loss of car parks resulting in less income	50	Medium	20
Heritage and Arts	Local History Centre - Inability to achieve income target through the reduction in hours open to the public	9	Medium	4
Libraries	Potential delays to achievement of planned closure savings or costs associated with alternative options is this different to the income medium risk above?	170	Medium	68
New Art Gallery	Additional venue hire income to be achieved externally pending refurbishment to be completed	10	Medium	4
Money Home Job	Risk of providing further support to vulnerable clients and additional unfunded administrative burden due to the introduction of Universal Credit	500	Medium	200
Bereavement Services	Impact of a pandemic flu outbreak	30	Medium	12
	TOTAL MEDIUM RISK	976	Medium	390
	HIGH RISKS			
Planning & Building control	Shortfall of planning application fee income	80	High	48

Integrated Facilities Management	Under achievement of savings	150	High	90
Integrated Facilities Management	Active Living professional fees	435	High	261
Development & Delivery	Shortfall of market income	204	High	122
Development & Delivery	Asset Management - Potential pressures on running costs associated with UTC vacating the Sneyd building	120	High	72
Libraries, Heritage & Arts	Creative Development Team - Inability to achieve income target due to reduced staffing capacity to deliver commissions and projects.	100	High	60
Engineering & Transport	Impact of a severe winter, additional gritting required	100	High	60
Engineering & Transport	Funding to address gulley cleaning and flooding concerns resulting from budget reductions	100	High	50
Clean and Green	Reduction in levels of co-mingled recyclables and or market value resulting in reduced income	24	High	14
Clean and Green	Increased waste tonnage disposal.	288	High	173
	TOTAL HIGH RISK	1,601		951
	TOTAL	3,501		1,526