

18 FEBRUARY 2010

REVENUE & CAPITAL MONITORING – 2009/10 THIRD QUARTER FORECAST

Ward(s) All

Portfolio:

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

Summary of report

This report summarises the predicted revenue and capital outturn position for 2009/10, based on the performance for quarter 3 (April to December 2009), for services within the remit of the Community Services Scrutiny and Performance Panel.

Recommendation

To note that the 2009/10 forecasted year end financial position for services under the remit of the Community Services Scrutiny and Performance Panel is a net revenue underspend of **£0.118m**, after use of approved reserves and carry forwards and vigorous action planning. The capital forecast is an underspend of **£1.968m**, which is expected to be requested to be carried forward to 2010/11

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 within the remit of this panel.

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

Senior managers within the services have been consulted and have signed off the forecast as accurate

Signed:



Jamie Morris – Executive Director
3 February 2010



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3 February 2010

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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 December 2009) is an overspend against budget of **£0.333m** (net of the use of earmarked reserves), which reduces to an underspend of **£0.118m** following action planning which was put in place to support the portfolio and 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 use of reserves of £3.090m (where approval has been given by cabinet for additional funds for specific services) and approved carry forwards from 2008/09. **Table 1** provides a summary of these.

Table 1 – Analysis of 2009/10 Use of Earmarked Reserves		
Service Area	Reason / Explanation	£
Centrally held Earmarked Reserves		
Neighbourhood Partnerships	LNP Earmarked reserves	165,274
Walsall Partnership	Community Cohesion / Stronger Safer	42,998
Public Protection	Use of LABGI reserve	18,000
Leisure & Culture	Redundancy payments	112,561
Leisure & Culture	Pension payments	293,082
Safer Walsall Partnership	Staffing costs	65,173
Carry forwards from 2008/09		
Public Protection	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
	Carry forward of ABG	83,000
	Carry forward of WNF	2,149,075
Neighbourhood Programmes & Partnerships	Grants to community organisations	2,780
Neighbourhood Programmes & Partnerships	Preventing violent extremism	110,960
Carry forwards from 2007/08 into 2009/10		
Leisure	First Stop Shop	10,000
TOTAL USE OF RESERVES		3,090,121

- 1.4 **Table 2** shows the forecast outturn for each service, and **Appendix 1** provides an analysis of the reasons for the forecast material variances.

Table 2 – Forecast Revenue Outturn 2009-10

Service Area	Annual Budget £	Profiled Budget £	Year To Date £	Variance £	Year End Forecast £	Year End Variance £	Non essential spend savings £	Use of reserves £	Action Plan £	Variance after Reserves/Action Plan/Non essential Spend
<u>Communities & Partnerships Portfolio</u>										
<u>Public Safety</u>										
Public Protection Mgmt (Inc Emergency Planning)	(479,409)	(373,144)	(392,402)	(19,258)	(489,813)	(10,404)	(4,282)	0	(2,000)	(16,686)
Trading Standards (Inc. Licensing)	1,122,792	838,531	702,410	(136,121)	1,101,115	(21,677)	(23,242)	(28,218)	(500)	(73,637)
Safer Walsall Partnership	1,426,025	1,169,722	1,447,669	277,947	1,648,148	222,123	0	(175,123)	0	47,000
<u>Leisure & Culture</u>										
First Stop Shop	136,739	(249,088)	(225,783)	23,305	146,739	10,000	0	(10,000)	0	0
<u>Walsall Partnership</u>										
Walsall Partnership	6,675,334	233,019	35,714	(197,305)	8,866,000	2,190,666	0	(2,192,073)	(1,210)	(2,617)
Neighbourhood Partnerships	1,488,929	1,289,844	161,333	(1,128,511)	1,747,607	258,678	(25,000)	(279,014)	0	(45,336)
<u>Leisure & Culture Portfolio</u>										
<u>Leisure & Culture</u>										
Sports	1,877,340	1,464,323	1,544,413	80,090	2,007,870	130,530	0	0	0	130,530
Bryntysilio	355,636	(53,739)	(20,566)	33,173	355,636	0	0	0	0	0
Greenspaces	2,179,984	1,619,816	1,669,961	50,145	2,290,589	110,605	(22,000)	(12,252)	(65,353)	11,000
Arts & Events	726,868	554,124	626,910	72,786	796,081	69,213	0	0	(80,316)	(11,103)
Marketing & Box Office	180,356	135,083	146,500	11,417	176,334	(4,022)	0	0	0	(4,022)
Walsall Illuminations	(23,044)	(17,277)	139,691	156,968	133,507	156,551	0	(111,038)	0	45,513
Management Services	297,564	194,624	352,417	157,793	402,668	105,104	0	(91,518)	0	13,586
<u>Walsall Adult & Community College</u>										
Walsall Adult & Community College	169,804	127,484	127,485	1	169,804	0	0	0	0	0
WLLA	(2)	264,235	264,235	0	(2)	0	0	0	0	0
<u>Libraries & Heritage</u>										
Libraries & Heritage	5,468,045	4,148,552	4,342,246	193,694	5,662,684	194,639	(13,000)	(190,834)	(191,000)	(200,195)
Creative Development	241,299	173,111	217,250	44,139	241,299	0	(2,000)	0	0	(2,000)
New Art Gallery	1,027,622	878,101	902,047	23,946	1,099,138	71,516	(6,000)	0	0	65,516
<u>Children's Services Portfolio</u>										
Catering	352,349	299,923	276,218	(23,705)	291,670	(60,679)	(15,000)	0	0	(75,679)
Total Community Services	23,224,231	12,697,244	12,317,749	(379,495)	26,647,074	3,422,843	(110,524)	(3,090,070)	(340,379)	(118,130)

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 December 2009) is a predicted underspend against budget of **£1.968m**. **Appendix 2** provides a summary by scheme. The underspend is expected to be requested to be carried forward and is made up of the following schemes:

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
- Redhouse Community Centre delayed to 2010/11
- Greenspaces Allotment Improvement programme
- Pelsall Library project delayed to 2010/11
- First Stop Shop Contact centre IT delays

External Grant

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

APPENDIX 1 - ANALYSIS OF REASONS FOR FORECAST VARIANCES

Service Area	Qtr 2 Sep '09	DECEMBER					Revised outturn after Proposed Actions	Explanation of Year end Variance
		Amount	Reserves	Actual	Non essential Spend & Vacancy Savings	Action Plan		
		£	£	£	£	£		
Public Safety								
Public Protection Mgt (incl. Emergency Planning)	(9,692)	(10,404)		(10,404)	(4,282)	(2,000)	(16,686)	Overspend of £600 for legal advice, offset by £17,286 underspends
Trading Standards	(60,578)	(21,677)	(28,218)	(49,895)	(23,242)	(500)	(73,637)	Legal costs (2 cases) £6470; Licensing under recovery of income £20k; Trading Standards under recovery of Prosecution costs income £10k; £86,865 under spends and £23,242 non essential spend
Safer Walsall Partnership	(20,000)	222,123	(175,123)	47,000			47,000	Contribution of £20k to Safer Stronger Communities Fund Revenue budget, overspend of £9,623 on SSCF revenue budget, lower than anticipated CCTV income £10k; various over spends of £7k
Walsall Partnership								
Walsall Partnership	1,210	2,190,666	(2,192,073)	(1,407)	0	(1,210)	(2,617)	Underspend on supplies & services
Neighbourhood Programme and P'ships	50,000	258,678	(279,014)	(20,336)	(25,000)		(45,336)	£50k saving from 08/09 to identify further external funding not achieved.
Leisure & Culture								
Greenspaces	0	110,606	(12,253)	98,353	(22,000)	(65,353)	11,000	Pool fitters have transferred from Sport to Greenspaces and have an underachievement of income £11k, this is due to increase of £15k in the income budget from 08/9 to 9/10 which has not been fully achieved
Sports centres	155,301	125,177		125,177			125,177	£57k is unachieved income within Leisure Centres. £ 60k is an increase in the Grange Income target. A further 8K is unachieved income from closure of the Grange. £69K is an overspend on leisure
Sports Development	11,114	5,353		5,353			5,353	This overspend is due to CIF funding in 2008/9 not carried forward - £14k, and mobile phone/ voicemail pressure of £5k, £66k of unachieved income in mainstream sports development. This is offset by employee costs underspends of £77K and £2k Other.

Service Area	Qtr 2 Sep '09	DECEMBER					Revised outturn after Proposed Actions	Explanation of Year end Variance
		Amount	Reserves	Actual	Non essential Spend & Vacancy Savings	Action Plan		
		£	£	£	£	£		
Management Services	0	105,104	(91,518)	13,586	0	0	13,586	Staffing costs
Marketing & Box Office	0	(4,022)		(4,022)			(4,022)	Employee savings from Marketing and Development Co-ordinator post (£13k), offset by £ 9k Curator/Security costs.
Arts & Events	0	69,213		69,213		(80,316)	(11,103)	(£17K) represents a reduction in events programme. £5k is overspend on Forest Arts and £1k is overspend on Festive Decorations.
Walsall Illuminations	44,475	156,551	(111,038)	45,513	0	0	45,513	Due to three illumination technicians salary costs –redundancy
Catering	(85,583)	(60,679)	0	(60,679)	(15,000)	0	(75,679)	Due to provisions £33k, increased depot charges £35k, income (£149k), Transport (£6k), (£10k) Cleaning materials saving and (£5k) postage savings due to non-essential spend, Furniture & Equipment £26k
First Stop Shop	0	10,000	(10,000)	0	0	0	0	N/A
Libraries & Heritage								
Creative Development	(2,000)		0	0	(2,000)	0	(2,000)	(£2k) underspend on furniture and equipment
Libraries & Heritage	0	194,639	(190,834)	3,805	(13,000)	(191,000)	(200,195)	(£13k) - In year savings. (£15k) underspend on Surestart externally funded employee costs. (£117k) underspend on employee costs caused by delays in recruitment of some vacancies and a freeze on recruitment
Art Gallery	37,621	71,516	0	71,516	(6,000)	0	65,516	£36k unachieved Costa Coffee income target, £27k salary costs, £8k telephones, savings due to non-essential spend (£6k),
Total Communities & Partnerships	121,868	3,422,844	(3,090,071)	332,773	(110,524)	(340,379)	(118,130)	

Appendix 2 - 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	264,066	199,778	264,066	0
Walsall Partnership		0		
Redhouse Community Centre	230,000	0	0	(230,000)
<u>Leisure & Culture Portfolio</u>				
Leisure & Culture				
Palfrey park - HLF	75,000	0	0	(75,000)
Walsall arboretum restoration programme	515,438	47,500	47,500	(467,938)
Willenhall Memorial Park Fishing Pool	0	0	0	0
Allotment improvement programme	43,207	36,700	39,200	(4,007)
DDA for greenspaces	8,948	0	0	(8,948)
Forest Arts Centre roof - contingency	120,072	72,250	120,072	0
Local access customer service bus	6,990	5,696	6,990	0
Contact centre (49 seats)	138,295	2,490	76,518	(61,777)
Libraries and Heritage:				
Library modernisation plan	361,603	89,469	361,603	0
Pelsall library, children's centre and health centre	350,000	0	30,000	(320,000)
Replacement of local history centre air conditioning	60,000	0	60,000	0
<u>Children's Services Portfolio</u>				
Leisure & Culture				
Secondary School re-development of dining facilities	21,517	22,844	21,517	0
Total Council Resources	2,195,136	476,728	1,027,466	(1,167,670)
Externally Funded				
<u>Communities & Partnerships Portfolio</u>				
Public Safety				
Safer Stronger Community Fund	106,655	4,216	106,655	0
<u>Leisure & Culture Portfolio</u>				
Leisure & Culture				
Free swimming capital reward grant	76,385	75,833	76,385	0
NOF for PE & Sport	46,128	7,237	46,128	0
Space for Sport & Arts Croft Street	0	0	0	0
Bloxwich Fountain Restoration Project	20,081	4,000	20,081	0
Blackwood park pavilion	46,500	0	46,500	0
George Rose park lodge landscape	1,788	0	1,788	0
High Heath improvement project	3,290	0	3,290	0
Highfield Road North play area	2,347	0	2,347	0
Holland Park improvement project	35,000	2,153	35,000	0
Kings Hill park improvement	38,493	0	38,493	0
Play builders programme	531,729	19,780	521,172	(10,557)
Reedswood park	1,019	1,019	1,019	0
Walsall Arboretum restoration project	150,000	0	0	(150,000)
Walsall childrens play fund	267,970	19,976	179,201	(88,769)
Willenhall Memorial Park - facilities management - Fishing Pool	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	17,662	(591)
Libraries and Heritage:				
Bloxwich Library project	1,269,900	230,805	1,269,900	0
Pelsall library, children's centre and health centre	550,000	0	0	(550,000)
Total Externally Funded	3,237,648	382,681	2,437,732	(799,916)
Total Community Services	5,432,784	859,409	3,465,198	(1,967,586)