

**29 July 2008**

**Revenue Monitoring – 2007/08 Final Outturn**

**Ward(s)** All

**Portfolios:** Cllr Anthony Harris, Cllr Louise Harrison, Cllr Gary Perry and Cllr Rachel Walker

**Summary of report:**

This report gives a breakdown of the Directorate's final revenue outturn for 2007/08 and the forecast revenue outturn for 2008/09 including explanations of overspends and risks to the achievement of the forecast.

**Background papers:**

Various financial working papers.

**Reason for scrutiny:**

To provide a final report on the 2007/08 revenue outturn (pre-audit) and an update on the 2008/09 financial performance of the Directorate's Services

**Resource and legal considerations:**

The budgets were set as part of the council's budget setting process in line with the Medium Term Financial Strategy.

**Citizen impact:**

None directly associated with this report.

**Environmental impact:**

None directly associated with this report.

**Performance management:**

Financial performance is considered alongside service targets.


**Equality Implications:**

None directly associated with this report.

**Consultation:**

Consultation was undertaken as part of the budget setting process.

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## 1. Outturn 2007/08

- 1.1 The final revenue outturn for 2007/08 for the Neighbourhood Services Directorate, is an underspend of **£160,693** (net of the use of earmarked reserves), of which a total of £62,000 has been approved to be carried forward into 2008/09. **Table 1** gives a summary of service position. **Table 2** provides an analysis of the reasons for the material variances.

<b>Table 1 – Neighbourhood Services Directorate Final Revenue Outturn 2007/08</b>			
<b>Programme</b>	<b>2007-08 Budget £</b>	<b>Final Outturn £</b>	<b>Over/ (Underspend) £</b>
Built Environment	36,754,547	37,075,773	321,226
Leisure, Culture & Lifelong Learning	22,892,457	23,929,277	1,036,820
Safer Walsall Borough Partnerships	1,434,894	1,399,119	(35,775)
Neighbourhood Partnerships & Programmes	1,712,799	1,880,830	168,031
<b>Neighbourhood Services 2007-08 Cash Limit</b>	<b>62,794,697</b>	<b>64,284,999</b>	<b>1,490,302</b>
Expenditure funded from Earmarked Reserves – see 2.4 below	0	(1,650,995)	(1,650,995)
<b>Total Neighbourhood Services Outturn</b>	<b>62,794,697</b>	<b>62,634,004</b>	<b>(160,693)</b>
Approved Carry Forwards (Para 2.5)			62,000
<b>Total Neighbourhood Services Outturn (Net of Approved Carry Forwards)</b>			<b>(98,693)</b>

- 1.2 Explanations for the final £160,693 underspend on Neighbourhood Services are given in **table 2**:

**Table 2 – Explanation of 2007/08 Year End revenue variance**

Service Area	Amount £	Explanation of Variance
<b>Built Environment</b>		
Property Services	525,375	£137k under-recovery of fees, £112k property management, and £300k Office Accommodation maintenance, partly offset by vacancy management savings within Estates and School Crossing Patrols.
Street Pride	(1,185,209)	Underspends - £673k waste disposal costs, £300k for Fryers Road floor pad, £211k Fleet income from extension of contract, £84k redn in private contractor fees on tipping, £75k mgt vacancies, £53k addl grounds income, and £50k delay in purchase of ride on mowers. Overspend - £261k fuel & contractor payments within Fleet Services.
Engineering & Transport	(447,341)	Underspends - £109k addl s74 income, £99k vacancy mgt, £137k Street Lighting, and £168k private contractor fees, offset by £66k under-recovery of car parking income.
Public Protection	25,996	Under-recovery of Bereavement Services income £210k, offset by £184k vacancy mgt/addl fees within Registrars and Licensing.
<b>Leisure, Culture &amp; LLL</b>		
Catering	491,061	Income targets not met – low meal sales, overspend on equipment, supplies, training and provisions, and the loss of contracts for FF Harrison, Art Gallery and Meals on Wheels.
Sports Development	42,626	Black Country Consortium costs
Sports & Leisure Mgt	215,089	Under-recovery of income due to increase in membership fees.
Greenspaces	(88,513)	Underspend on employee costs / restraint on expenditure.
Bryntysilio	7,646	
Arts & Events	16,979	
Illuminations	234,373	Due to shortfall in income from fall in visitor numbers.
Marketing & Box Office	25,919	Due to unrealistic income targets on box office & venue hire.
Libraries & Heritage	65,838	Overspend on Blakenall Village premise costs plus minor other overspends, some savings on book fund.
College of Cont Education	(7,238)	
Creative Development	19,445	
Art Gallery	4,234	
Management Services	44,230	Part due to income targets not met and BC consortium.
Community Services	(23)	
Electoral Services	(8,585)	
First Stop Shop	(69,551)	Underspends on bus project and vacancy management.
<b>SWBP</b>	(35,775)	Overspend - £67k on CCTV supplies & services, offset by £103k additionaland Home Office income.
<b>N'hood P'ships &amp; Progs</b>	(37,267)	Underspends on voluntary sector grants and equalities.
	<b>160,693</b>	
<b>TOTAL</b>		

### 1.3 Use of Earmarked Reserves

The outturn includes overspends of £1,650,995 on specific services, where approval has been given to fund from earmarked reserves. These reserves are set aside for specific reasons, eg approved carry forwards from 2006/07, Cleaners Equal Pay Claim settlement, funding from LABGI, and agreed reserves approved by Cabinet. **Table 3** provides a summary of the overspends funded from earmarked reserves.

<b>Table 3 - Analysis of 2007/08 Use of Earmarked Reserves</b>		
<b>Service Area</b>	<b>Amount c/fwd £</b>	<b>Explanation</b>
<b>Carry Forwards from 06/07</b>		
Engineering & Transportation	65,000	Parking restriction signage
Public Protection	13,445	Pandemic Flu
	19,000	Licensing – new gambling act
First Stop Shop	40,000	Improved technology
Neighbourhood Partnerships	65,105	LNP projects
<b>Other Specific Reserves</b>		
Property Services	504,942	Cleaning Equal Pay Claim costs
	50,000	Asset Management Consultancy
Street Pride	32,792	Waste project funded from LABGI
Engineering & Transportation	717,226	Street Lighting PFI – centrally held grant
Illuminations	3,292	Illuminations commercial opps from LABGI
Neighbourhood Partnerships	140,193	Match funding from LABGI
<b>Total</b>	<b>1,650,995</b>	

### 1.4 Carry Forwards to 2008/09

Table 4 summarises the approved carry forward of under/overspends from 2007/08 to 2008/09 :-

<b>Table 4 – Neighbourhood Services Directorate Carry Forwards from 2007/08 to 2008/09</b>	
<b>Underspends</b>	
Street Pride – Health & Safety repair work to Fryers Road Floor Pad	292,000
Creative Development – Leaps & Bounds Project	10,000
First Stop Shop – Delay in procurement for new Customer Services bus	10,000
<b>Overspends</b>	
Property Services – allocation of 07/08 overspend	-250,000
<b>Grand Total</b>	<b>62,000</b>

#### 1.4 Final Capital Outturn 2007-08

The final capital outturn for 2007/08 for the Neighbourhood Services Directorate, is an underspend of £3,550,686, of which a total of £3,582,520 has been approved to be slipped into 2008/09 – net overspend of £31,834.

Table 5 – Final Capital Outturn 2007/08					
Programme	2007/08 Budget £	Outturn £	Revenue/ Grant adj £	Slippage to 2008/09 £	Over/ (Underspend) £
<b>Mainstream</b>					
Built	7,763,272	6,780,613	0	986,326	3,667
Environment	1,047,383	317,826	(2,125)	697,567	(34,115)
Leisure, Culture & LLL SWBP	315,800	134,480	0	181,320	0
<b>Total Mainstream</b>	<b>9,126,455</b>	<b>7,232,919</b>	<b>(2,125)</b>	<b>1,865,213</b>	<b>(30,448)</b>
<b>Prudential Code</b>					
Built	83,700	83,700	0	0	0
Environment Leisure, Culture & LLL	653,542	423,823	0	292,000	62,281
<b>Total Prudential</b>	<b>737,242</b>	<b>507,523</b>	<b>0</b>	<b>292,000</b>	<b>62,281</b>
<b>Non- mainstream</b>					
Built	8,032,132	6,865,951	(10,819)	1,177,000	0
Environment	738,095	515,197	60,615	162,284	0
Leisure, Culture & LLL Nhood Ptships & Prog	572,292	61,028	425,241	86,023	0
<b>Total non- mainstream</b>	<b>9,342,519</b>	<b>7,442,176</b>	<b>475,037</b>	<b>1,425,307</b>	<b>0</b>
<b>Total</b>	<b>19,206,216</b>	<b>15,182,618</b>	<b>472,912</b>	<b>3,582,520</b>	<b>31,834</b>