

DATE: 23 November 2017

**CORPORATE AND PUBLIC SERVICES FINANCIAL PERFORMANCE – FORECAST
REVENUE AND CAPITAL OUTTURN FOR 2017/18**

Ward(s) All

Portfolio:

Councillor S. Coughlan – Leader of the Council
Councillor L. Jeavons – Deputy Leader and Regeneration
Councillor K. Chambers – Personnel and Business Support / Agenda for Change
Councillor D. Coughlan – Social Care
Councillor C. Jones – Clean and Green
Councillor I. Shires – Community, Leisure and Culture

Summary of report

This report summarises the forecast revenue and capital financial position for 2017/18, based on the position to September 2017, for services within the remit of the Corporate and Public Services Overview and Scrutiny Committee.

The position is a forecast revenue underspend of £227k and on capital the forecast is that £6.892m of the £82.101m budget will be underspent and requested to be carried forward.

Reason for scrutiny

To inform the committee of the forecast financial position for 2017/18 to allow the scrutiny of the financial performance of the services within the panel's remit.

Recommendations

To note that the forecast 2017/18 year end financial position for services under the remit of this committee is as follows:

1. A revenue **underspend of £227k**, net of the use of and transfer to earmarked reserves and implementation of action plans.
2. A capital **carry forward of £6.892m**.

Background papers

Various financial working papers
Revenue and Capital Outturn 2016/17 (Pre-Audit)
Corporate Budget Plan and Treasury Management and Investment Strategy 2017/18.

Signed:

A handwritten signature in blue ink, appearing to be 'Simon Neilson', with a stylized, flowing script.

**Executive Director for Economy
and Environment:** Simon Neilson

Date: 3 November 2017

A handwritten signature in blue ink, appearing to be 'Julie Alderson', with a clear, legible script.

**Executive Director for Change
and Governance:** Julie Alderson

Date: 3 November 2017

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. Work continues to bring the outturn in line with the budget.

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 **Forecast Revenue Outturn 2017/18**

1.1 The forecast revenue outturn for 2017/18 for the services under the remit of the Corporate and Public Services Overview and Scrutiny Committee is an underspend of **£227k**, net of the use of earmarked reserves. The forecast revenue outturn shown is based on actual information from the Oracle system as at the end of September 2017, and discussions with managers regarding year end forecast and achievement of approved savings.

1.2 **Table 1** below shows the forecast outturn for each service.

Table 1 - Forecast Revenue outturn 2017/18						
Service	Annual Budget	Year End Forecast	Year End Variance before reserves	Net (use of) / transfer to Reserves	(Action plan) / Windfall income	Variance net of reserves (under)/ overspend
	£k	£k	£k	£k	£k	£k
Clean & Green Services	15,851	15,126	(725)	(64)		(789)
Communities & Partnerships	1,970	2,258	288	(304)		(16)
Democratic Services	1,407	1,415	8			8
Economy & Environment Management	151	171	20			20
Electoral Services	242	253	10			10
Finance	3,933	4,116	183	(183)		0
Housing Standards & Improvements	165	178	13	(32)		(19)
Human Resources	2,243	2,355	112	(102)		10
Information, Communication and Technologies	4,352	4,321	(31)	(139)		(170)
Integrated Facilities Management	4,351	4,850	498	(35)	(165)	298
Legal	1,484	1,458	(26)	(16)		(42)
Leisure, Culture & Operations	2,714	3,097	383	(413)		(30)
Money Home Job	5,229	5,922	694	(948)	76	(178)
Payroll & Pensions	72	89	17	(6)		11
Planning, Engineering & Transportation	8,594	8,413	(181)	660		479
Procurement	393	585	192	(192)		0
Programme Management	174	1,725	1,551	(1,453)		98
Regeneration & Development	446	736	290	(170)		120
Regulatory Services	1,780	1,773	(7)	(30)		(37)
Smarter Workplaces	297	551	254	(254)		0
	55,848	59,392	3,543	(3,681)	(89)	(227)

- 1.3 The key column is the right hand column showing the bottom line final variance position (totalling £227k). This is after use of various reserves detailed below and in appendix 1.
- 1.4 The predicted outturn includes use of reserves of **£5.560m** (where approval has been given by Cabinet for additional funds for specific services) and transfer to reserves of **£1.877m**. A breakdown of reserves is detailed in **Appendix 1**.
- 1.5 The following provides an analysis of the primary reasons for the forecast material variances;
- Clean and Green - Additional income from W2R, under spend on disposal costs and performance fee for HWRC and vacant posts.
 - Information, Communication and Technologies – The under spend relating to Print and Design is a result of reduced demand meaning savings on outwork and materials budgets.
 - Integrated Facilities Management – cost pressures in relation to centralised maintenance £569k and redundant buildings £185k, offset by under spends on civic buildings £109k, centralised energy £68k and vacant posts across the service £22k.
 - Money Home Job – pressures in relation to housing support/benefit subsidy, postage and bank charges and under spend on vacant posts and VRT, income from overpayment recovery, young person's homelessness and computer costs.
 - Planning, Engineering & Transportation – Shortfall in planning income combined with demand led costs for gully cleansing.
 - Regeneration and Development – Shortfall of income across markets, shops and commercial fees and engineers time and unachieved Asset Management savings. This is offset by £66k salary underspend in Planning Policy and Asset Management rents £43k.

Appendix 2 provides a detailed breakdown by service area of reasons for variances.

Where overspends are predicted, managers are required to identify remedial action that can be made within the service, and to report this as part of an action plan. Action plans are in place for the following service area:

- Integrated Facilities Management (£165k): seeking to raise £150k additional income from design fees by supporting large capital projects for schools and to reduce costs by £15k for a property stock condition survey.

- 1.6 **Appendix 3** details the risks associated with this forecast which has been calculated as **£385k**. Risks are items that are uncertain at present and therefore are not included in the overall forecast. If circumstances change and any of these risks become probable, it will then form part of the overall forecast, and actions will need to be identified and implemented to offset any resulting pressure.
- 1.7 Included within the approved budget for 2017/18 are £8.836m of savings relating to services within the remit of this committee. An update on the achievement of 2017/18 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.

Savings of £165k have been identified as not being achieved, as follows:

- Retaining staff following closure of the banking hall –£60k. An approved carry forward from 2016/17 is available to manage this.
- Asset Management saving unlikely to be achieved in 2017/18 - £100k.
- Cease retirement awards - £5k.

2 **Capital Outturn 2017/18**

2.1 The forecast capital outturn for 2017/18 for the schemes under the remit of this committee (as at the end of September 2017) is subject to a capital **carry forward of £6.892m**. This is mainly due to the reprofiling of spend on Smarter Workplaces, 3 Integrated Facilities Management refurbishment projects: solar PV panels, Council House rewiring and Civic Centre heating, library redesign, digital data storage and finance systems. The position is summarised in **table 2** below.

Table 2 – Capital Forecast

Service and scheme	Annual Budget	Actual to Date	Year End F'cast	Variance before carry forward
	£k	£k	£k	£k
<u>Council funded</u>				
Clean & Green Services				
Allotment and community garden strategy - Borneo Street	71	0	71	0
Arboretum Events Field – drainage scheme (RCCO)	65	0	65	0
Broadway West Playing Fields	50	0	50	0
Fryers Road Sprinkler System	268	0	50	(218)
Leamore Park additional funding	6	0	6	0
Mayrise System Mobile Working	12	12	12	0
Replacement of wooden Trim Trail at King George V playing fields	1	0	1	0
St Peters Church - repairs to surrounding walls	25	0	25	0
Vehicles	7	7	7	0
Walsall Arboretum Car Park	9	0	9	0
Walsall Arboretum Restoration Programme - illuminated park proposals	5	0	5	0
Walsall Green Pathways (RCCO)	0	0	0	0
Willenhall Memorial Park	19	6	19	0
Communities & Partnerships				
CCTV	250	0	250	0
Improving Security in Local Partnerships	4	1	4	0
Finance				
Finance Direct / Oracle	19	5	19	0
Procurement system for (HRMS) and Oracle EBS financials	719	32	32	(687)
Human Resources				
HR Itrent upgrades (RCCO)	39	1	39	0
Information, Communication and Technologies				
Council wide IT planned rolling replacement and	49	29	49	0

Service and scheme	Annual Budget	Actual to Date	Year End F'cast	Variance before carry forward
upgrade				
Customer facing services being accessed by citizens	53	0	53	0
Data backup system replacement	220	0	0	(220)
Data Centre Power Backup	309	0	0	(309)
Essential investment to remove cyber attack vulnerabilities	98	0	0	(98)
Essential maintenance data storage growth (Netapp)	78	6	78	0
Essential microsoft upgrades & foundation for Office 365	102	12	102	0
Essential maintenance service warranty extensions and eventual server replacement	75	0	75	0
Essential refurb Council's digital data storage facilities	1,224	0	300	(924)
Essential upgrade to Blackberry Server	12	12	12	0
Essential upgrade of Windows	64	0	64	0
Essential warranty extension and eventual replacement of hardware for Council's finance system	30	0	30	0
ICT essential software licence charges	9	0	9	0
ICT requirement to cater for transitioned services	2	0	2	0
ICT wider area network	300	1	151	(149)
Money home job core IT system (RCCO)	52	0	0	(52)
Payment Card Industry Data Security	6	0	0	(6)
Replace Open Software Local Government Online	10	0	0	(10)
Service Improvement Cyber Security (Virus Protection)	81	0	11	(70)
Single mobile devices for use within the new in-Tune platform	76	24	76	0
Housing Standards & Improvement				
Aids and adaptations	750	92	750	0
Health through warmth	84	12	84	0
Integrated Facilities Management				
Allocation for health and safety / essential works	724	309	800	76
Building work at Clayhanger	0	0	55	55
Civic Centre essential maintenance	73	16	73	0
Civic Centre heating	600	0	100	(500)
Civic Centre roof ladders	35	0	12	(23)
Council House BMS	70	0	70	0
Council House Cellar Tanking	50	0	50	0
Council House drainage survey	50	0	18	(32)
Council House rewiring	1,000	0	60	(940)
Improving the customer experience when visiting the Council House	0	(2)	0	0
Replace heating & ventilation system Link Block	194	8	194	0

Service and scheme	Annual Budget	Actual to Date	Year End F'cast	Variance before carry forward
Schools Project	250	0	250	0
Solar PV panels	143	0	0	(143)
Leisure, Culture & Operations				
Active Living - Bloxwich (PWLb)	187	7	187	0
Active Living - Oak Park (PWLb)	369	7	369	0
Bentley Community Facility	10	0	10	0
Headstone safety in Cemeteries (RCCO)	40	12	40	0
Leisure Management System	112	76	112	(0)
Library Redesign - Lichfield Street Hub	2,160	110	965	(1,195)
Open Plus in Libraries	397	0	397	0
Single Library Management System	100	0	100	0
Planning, Engineering & Transportation				
Challenge funding (RCCO)	245	0	245	0
Community Dropped Crossings	20	0	20	0
Hatherton Road Car Park	274	0	274	0
Highways maintenance	2,971	1,828	2,971	0
Migration of Urban Traffic control analogue communication network	185	0	185	0
Replacement development management, building control and land charge ICT system	30	0	30	0
Replacement of obsolete traffic signal control equipment	200	0	200	0
Upper Rushall Street car park repairs	44	44	44	(0)
Walsall TCTP ring road acquisition	6	5	6	0
Programme Management				
Darlaston SDA (Prudential)	266	0	266	0
Darlaston SDA	200	0	191	(9)
Regeneration & Development				
Acquisition of Reservoir Place	793	58	793	0
Gas Holders Strategic Land Acquisition (prudential)	2,115	2,109	2,115	0
Holmans Strategic Land Acquisition (prudential)	525	0	525	0
New Homes Bonus	256	73	256	0
Primark and Co-op development	4	0	4	0
Regenerating Walsall	234	0	234	0
Rushall Olympic Football Club	6	0	6	0
Saddlers Shopping Centre (prudential)	13,802	13,119	13,802	0
Shop maintenance	7	0	7	0
Town and District Centres Public Realm	100	0	100	0
Walsall Market	500	4	100	(400)
Smarter Workplaces				
ICT	307	0	0	(307)
Property (prudential)	505	13	23	(482)
Total Council Funded	35,410	18,049	28,767	(6,643)

Service and scheme	Annual Budget	Actual to Date	Year End F'cast	Variance before carry forward
<u>Externally Funded</u>				
Clean & Green Services				
Allotment Improvement Programme External	18	7	18	0
Palfrey Park	7	0	7	0
Reedswood Improvement Plan	10	0	10	0
Walsall arboretum restoration programme (PRU)	371	58	371	0
Waste infrastructure capital grant	227	0	0	(227)
Willenhall Memorial Park Heritage and Habitats	50	0	18	(32)
Leisure, Culture & Operations				
Active Living Bloxwich (Grant)	104	0	104	0
Active Living Oak Park (Grant)	138	75	138	0
The New Art Gallery Walsall (Grant)	46	35	46	0
Money Home Job				
Contribution Aids and Adaptations	0	(14)	0	0
Disabled facilities grant	2,414	884	2,414	0
Off Gas Scheme	281	40	281	0
Planning, Engineering & Transportation				
Additional Highway Maintenance pothole funding	188	188	188	0
Capital Block DFT Fund	2,148	497	2,148	0
Challenge funding	1,985	1,145	1,985	0
Development of Highways Asset Management Plan (HAMPS)	43	0	43	0
LTP including bridge strengthening 2010/11	231	0	231	0
LTP Yorks Bridge	85	6	85	0
Mill Lane Road Safety	0	0	0	0
Network Rail Scheme-Level Crossing	30	30	30	0
Pedestrian Crossing on Northgate	11	0	11	0
Programme Management				
Darlaston SDA	188	197	197	9
Growth Deal	34,888	1,645	34,888	0
Regeneration & Development				
A461 corridor junction improvements	90	6	90	0
A461 National Productivity Investment Fund (NPIF)	920	555	920	0
Gigaport Partner Contribution	9	9	9	0
Goscote Open Space	582	199	582	0
M6 Junction 10 Highway Improvements	144	0	144	0
Regenerating Walsall - Private Contributions	9	0	9	0
West Midlands Strategic Transport Plan (STP) 'Movement for Growth'	1,472	265	1,472	0
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	1	0	1	0

Service and scheme	Annual Budget	Actual to Date	Year End F'cast	Variance before carry forward
Total Externally Funded	46,691	5,828	46,442	(249)
	82,101	23,876	75,209	(6,892)

Acronyms used above are listed in **Appendix 4**.

Appendix 1 - Analysis of 2017/18 Earmarked Reserves

The reserves are non-recurring budget and not shown on the financial system but are adjusted separately at present.

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
Clean & Green Services				
Arboretum Drainage System (RCCO)	65	(65)	0	(65)
Consultancy work related to waste collections	50	(50)	0	(50)
IFRS - DEFRA - Stewardship funding	5	0	0	0
IFRS - Natural England	44	0	0	0
IFRS - Section 106	594	0	106	106
Unauthorised Encampments	48	(48)	0	(48)
Communities & Partnerships				
Anti social behaviour	7	0	0	0
Area Partnerships NHS projects	33	(7)	0	(7)
Area Partnerships Performance reward grant	59	(27)	0	(27)
Area Partnerships Performance reward grant Funding	114	0	0	0
Area Partnerships Ryecroft Hub	10	0	0	0
Area Partnerships Six area partnership funding	240	(50)	0	(50)
Borough Analyst CS Grant	1	(1)	0	(1)
Buddi Tags	5	(5)	0	(5)
Business Crime Initiative	2	0	0	0
CCTV	13	(13)	0	(13)
Community Safety contingency	13	(1)	0	(1)
Domestic Abuse Co-ordinator	6	0	0	0
Drug and Alcohol Service	39	(39)	0	(39)
IRIS Project	22	(22)	0	(22)
Migrant Communities	3	(3)	0	(3)
No Cold Caller Initiative	12	0	0	0
Preventing violent extremism	95	(25)	0	(25)
Redundancy costs linked to savings	49	(49)	0	(49)
To Fund Area Partnerships	6	(6)	0	(6)
Voluntary sector commissioning	16	(16)	0	(16)
Working Smarter	132	(40)	0	(40)
Democratic Services				
Mayors civic awards	3	0	0	0
Economy & Environment Management				
IFRS - Transition funding	13	0	0	0

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
Finance				
Finance Direct	30	0	0	0
Interim executive director	20	(20)	0	(20)
Interim Transformation and Change Appointment	124	(124)	0	(124)
Recruitment to CEO and ED Childrens	39	(39)	0	(39)
Housing Standards & Improvements				
Fuel Poverty Grant	13	(13)	0	(13)
Private housing and health safety	46	(19)	0	(19)
Warm Homes	51	0	0	0
Human Resources				
Adult Workforce Development Programme	37	(37)	0	(37)
Honorarium funded from Transformation	28	(28)	0	(28)
Redundancy costs linked to savings	22	(22)	0	(22)
Upgrade of HR system	47	(15)	0	(15)
Information, Communication & Technologies				
Audit and inspection - ICO audit work	80	(50)	0	(50)
Funding of temporary post	39	(39)	0	(39)
Information Management Project	51	(51)	0	(51)
Integrated Facilities Management				
Stock condition survey	35	(35)	0	(35)
Legal				
Fund purchase of Case Management System and heavy duty copier	16	(16)	0	(16)
Leisure, Culture & Operations				
Building Control Fee (ring fenced)	98	0	10	10
Donations	8	0	0	0
Feasibility Report	10	(10)	0	(10)
IFRS - Artist Development	15	(5)	0	(5)
IFRS - Arts Council England - dilapidations	36	0	0	0
IFRS - Arts Council England 11/12	115	(49)	0	(49)
IFRS - Arts Council England 12/13 - Regular Grant	112	0	0	0
IFRS - Bookstart	5	(5)	0	(5)
IFRS - Doorstep Sports Club	6	(5)	0	(5)
IFRS - Environmental Levy	530	0	0	0
IFRS - Exclusive Burial Rights Levy	79	(40)	18	(22)
IFRS - HLF project - Rediscover Bloxwich	9	(9)	0	(9)
IFRS - Marketing Promotion Sport England 11/12 & 12/13	23	(23)	0	(23)
IFRS - NAG - ABC (Audience Black Country)	3	0	0	0

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
Membership -				
IFRS - NAG - Science Project	1	0	0	0
IFRS - NVQ Assessor	1	(1)	0	(1)
IFRS - Paul Hamlyn Foundation/Right to Read	4	(1)	0	(1)
IFRS - Walk On	8	(1)	0	(1)
IFRS - Way Forward Project	4	0	0	0
Inspired Generations (CSAF)	4	(4)	0	(4)
NAG - consultants contingency	12	(12)	0	(12)
Redundancy and pension costs linked to savings	188	(188)	0	(188)
Tate project	78	(78)	0	(78)
Money Home Job				
Benefits – claw back of subsidy income	425	0	0	0
Crisis Support Scheme	535	(535)	0	(535)
HB subsidy - carry forward of new burdens grants	248	(179)	0	(179)
Housing improvement projects	88	0	0	0
Improve/develop self help tool for welfare support	60	0	0	0
Preventing homelessness	364	(92)	0	(92)
Repossession grant	114	(22)	0	(22)
Retain social worker for exempt accommodation	60	(60)	0	(60)
Retain staff following closure of banking hall	60	(60)	0	(60)
Payroll & Pensions				
Redundancy and pension costs linked to savings	6	(6)	0	(6)
Planning, Engineering & Transportation				
Bus Lane enforcement	144	0	0	0
Commuted sum Shannon's Mill	42	(6)	0	(6)
Economic Growth Programme	30	(30)	0	(30)
IFRS - DFT Bikeability grant 2008/09	16	0	0	0
IFRS - DFT Bikeability grant 2009/10	8	0	0	0
IFRS - DFT Bikeability grant 2010/11	29	0	0	0
IFRS - DFT Bikeability grant 2011/12	36	0	0	0
IFRS - DFT Bikeability grant 2012/13	19	0	0	0
IFRS - DFT Bikeability grant 2013/14	16	0	0	0
IFRS - DFT Bikeability grant 2014/15	38	0	0	0
IFRS - DFT Bikeability grant 2015/16	37	0	0	0
IFRS - DFT Bikeability grant 2016/17	22	0	0	0
IFRS - DFT Road safety grant	39	0	0	0
IFRS - Driver Improvement (Dudley Council)	15	0	0	0
IFRS - HPDG - MB salary cost	44	(20)	0	(20)
IFRS – Financial appraisals	26	0	0	0

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
IFRS - Local Road Safety 2015/16	35	0	0	0
IFRS - Local Road Safety 2016/17	12	0	0	0
IFRS - Midlands Air Quality funds (Birmingham County Council) 2012/13	30	0	0	0
IFRS - Midlands Air Quality funds (Birmingham County Council) 2013/14	3	0	0	0
IFRS - Post 16 Travel 2013/14 (Children's Services)	22	0	0	0
IFRS - S106 planning	319	0	0	0
IFRS - School Strategy 2012/13 (Children's Services)	16	0	0	0
IFRS - School Strategy 2015/16 (Children's Services)	25	0	0	0
IFRS - Sustainable Drainage Grant	63	(17)	0	(17)
IFRS - Walsall PCT - Active school travel project (A stars)	50	(14)	0	(14)
IFRS -Financial appraisals	25	0	0	0
Mediation Reserve - legal fees Waverley Mast	68	0	0	0
Street lighting PFI	19,623	0	820	820
Willenhall Gas Works	75	(73)	0	(73)
Procurement				
Contribution to cost of temporary staff	200	(162)	0	(162)
Working Smarter	30	(30)	0	(30)
Programme Management				
Economic Growth Programme	1,004	(156)	0	(156)
ERDF TA Walsall contribution	31	0	39	39
ESF TA Partner 2017/18	0	0	2	2
Fund one match funding ERDF technical assistance project	30	0	0	0
IBC Partner Contributions	5	(2)	0	(2)
IFRS - City Deal - Welfare Pilot	1,420	(1,206)	0	(1,206)
IFRS – LEP - Core funding	131	(131)	0	(131)
IFRS – LEP - Hestletine funding	195	(195)	0	(195)
LGF - pipeline was BC Transport Director	29	0	0	0
LGF Interest	603	(4)	257	253
Walsall Works	256	(79)	0	(79)
YEI overheads	0	0	23	23
Regeneration & Development				
Aldridge Manor	25	(25)	0	(25)
Asset Management System	44	(11)	0	(11)
Black Country core strategy	250	(125)	0	(125)

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
Black Country core strategy - SAD/AAP	29	0	0	0
Economic Growth Programme – Asset Management	8	0	0	0
Economic Growth Programme – Development and Delivery	76	0	0	0
IFRS - Contribution for participation in Pilot Scheme	9	0	0	0
IFRS – Development and Delivery grant S106	64	(3)	0	(3)
LGF - released revenue	262	0	0	0
New Homes Bonus (Housing loans etc)	31	0	0	0
Old Square Development	29	0	0	0
Phoenix 10	625	(330)	0	(330)
Pleck Boxing Club	68	(20)	0	(20)
Saddlers Centre	0	0	602	602
Uncapitalised expenditure	259	(259)	0	(259)
Regulatory Services				
IFRS – BCTCA – Tobacco Control	12	0	0	0
IFRS – No Cold Calling – Trading Standards	2	0	0	0
IFRS – Sniffer Dog Grant	1	0	0	0
IFRS – Tobacco funding	15	0	0	0
Trading Standards - Hand held devices	43	(30)	0	(30)
Smarter Workplaces				
Smarter Workplaces	307	(254)	0	(254)
Total	32,682	(5,560)	1,877	(3,683)

Appendix 2 – Explanation of 2017/18 forecast Revenue Variations by Service

Service	Reason / explanation for variance	Variance
		£k
Clean & Green Services	Additional income W2R, under spends on costs of disposal and costs of the performance fee for the HWRCs together with staffing costs projected under spends - vacant posts not planned to be filled until October and agency cost reductions staff being employed at a lower than expected cost. Offset by an unachieved income, costs of the clinical waste contract and other service pressures	(789)
Communities & Partnerships	Vacant posts and under spends in community safety	(16)
Democratic Services	Overspend on salaries due to 2016/17 savings not being achieved	8
Economy & Environment Management	Non achievement of 2016/17 savings	20
Electoral Services	Mayoral election to be funded from contribution from Combined Authority and General Election in June to be funded via grants received	10
Housing Standards & Improvements	Under spend on salaries and additional income from private sector housing	(19)
Human Resources	E-learning license pressure and honorarium	10
Information, Communication and Technologies	Under spend due to vacant posts and reduced demand for print and design	(170)
Integrated Facilities Management	Over spends on centralised maintenance £569k, redundant buildings £185k and additional costs in cleaning £103k are offset by under spends on civic buildings (£109k), centralised energy (£68k), centralised rent (£25k), vacant posts across the service (£22k), additional income in catering (£102k), additional income from design fees (£150k), reduced staffing costs in school crossing patrol wardens (£63k) and (£20k) other non material under spends	298
Legal	Under spend on vacant posts part offset by under recovery of income	(42)
Leisure, Culture & Operations	Over spends on £68k Outdoor Adventure Centre, £95k Active Living Centres, £25k Leather Museum, Bereavement £84k include legal fees £25k, New Art Gallery £34k offset by under spend on salaries, supplies and income from Forest Arts	(30)
Money Home Job	Postage £64k, bank charges £40k, over spend on housing support £173k, housing benefit subsidy £173k and other over spends £3k - total over spends of £481k. This is offset by under spends due to vacant posts and VRT (£288k), additional income from overpayment recovery (£288k), reduced spend in young person's homelessness (£42k) and reduced spend on computer expenditure (£42k), total under spends of (£659k).	(178)

Payroll & Pensions	£9k forecast overspend relating to unachieved vacancy management and £4k agency staff costs. Part offset by (£2k) overachievement of income	11
Planning, Engineering & Transportation	£100k underachievement of Planning Fees Income. Insufficient major applications being received combined with £250k over spend on gully cleansing - the current budget not being sufficient to maintain the boroughs gullies, for which investment has been made in the 2018/19 budget. £129k Engineers time income shortfall due to non capitalisation of overheads.	479
Procurement	Temporary staff costs offset by earmarked reserve	0
Programme Management	£107k over spent on Programme Management, under spent (£3k) centralised stationery and (£6k) directorate support salaries.	98
Regeneration & Development	Asset Management Saving unachieved £100k, EAT unrecoverable income £60k, Markets income (net of small under spends) £46k, Shops and Commercial £24k professional fees, Planning Policy (£66k) vacant posts, Asset Management (£43k) rents	120
Regulatory Services	Unauthorised Encampments bailiff costs £8k and income shortfall £22k offset by under spends on vacant posts (£62k) and general expenditure (£5k)	(37)
		(227)

Appendix 3 - Risks

Service Area	Potential Risks	Highest Cost	Total Estimated Exposure
		£k	£k
	Low Risks		
Clean and Green Services	Damage to waste to resource plant	840	168
Clean and Green Services	Increase in waste arisen, or non diversion of waste	100	20
Integrated Facilities Management	Energy costs could increase due to an unusually harsh winter (heating) due to the poor condition of our buildings	45	9
	Total Low Risks	985	197
	Medium Risks		
Clean and Green Services	Increased contamination of co mingled waste and fluctuating gate fees from new recycling disposal contract	100	40
Clean and Green Services	Shortfall in Fleet income relating to taxi testing	20	8
Integrated Facilities Management	Energy costs could increase due to ongoing dispute with British Gas regarding historic debt	50	20
Leisure, Culture & Operations	Active Living - shortfall of income	250	100
Leisure, Culture & Operations	Bereavement services – cemeteries income shortfall	150	60
Money Home Job	Further increase in overpayment recovery	(125)	(50)
Money Home Job	Additional income for court cost recovery	(258)	(103)
Money Home Job	Worsening in housing benefit subsidy forecast	100	40
	Total Medium Risks	287	115
	High Risks		
Clean and Green Services	Non achievement of vacancy management	100	60
Clean and Green Services	Additional overtime costs - linked to waste collection service	15	9
Money Home Job	Additional income arising from an increase in overpayment debtor	(89)	(53)
Planning, Engineering & Transportation	Shortfall of planning application fee income	85	51
Regulatory Services	Incursion of additional unauthorised encampments	10	6
	Total High Risks	121	73
	Total	1,393	385

Appendix 4 – Acronyms and Abbreviations

Acronym	Description
AAP	Area Action Plan
BC	Black Country
BCTCA	Black Country Tobacco Control Alliance
BMS	Building Management System
CEO	Chief Executive Officer
CSAF	Community Sport Activation Fund
CS	Community Support
DEFRA	Department for Environment Food and Rural Affairs
DFT	Department for Transport
EAT	Engineers Assistants Time
EBS	E-Business Suite
ED	Executive Director
ERDF	European Regional Development Fund
HR	Human Resources
HRMS	Human Resource Management System
HWRC	Household Waste Recycling Centre
IBC	Invest Black Country
ICO	Information Commissioners Office
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standard
IRIS	Identification and Referral to Improve Safety
IT	Information Technology
LEP	Local Enterprise Partnership
LGF	Local Growth Fund
LTP	Local Transport Plan
NAG	New Art Gallery
NPIF	National Productivity Investment Fund
PCT	Primary Care Trust
PFI	Private Finance Initiative
PRU	Prudential
PWLB	Public Works Loan Board
PV	Photovoltaic
RCCO	Revenue Contribution to Capital Outlay
SAD	Site Allocation Document
SDA	Strategic Development Area
TA	Technical Assistance
TCTP	Town Centre Transport Planning
VRT	Voluntary Reduced Time
W2R	Waste to resources
YEI	Youth Employment Initiative