

DATE: 22 February 2018

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

Ward(s) All

Portfolio: Councillor Sean Coughlan – Leader of the Council
Councillor Jeavons – Deputy Leader and Regeneration
Councillor Shires – Community, Leisure and Culture
Councillor Jones – Clean and Green
Councillor Diane Coughlan – Social Care
Councillor Chambers – Personnel and Business Support / Agenda for Change

Summary of report

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

The position is a forecast revenue underspend of £984k and on capital the forecast is that £410k of the £82,795k budget will be under spent and £9,323k 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.

Recommendation

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

1. Revenue **underspend of £984k**, net of the use of and transfers to earmarked reserves and implementation of action plans.
2. A capital **underspend of £410k**, plus a proposed **carry forward of £9,323k**

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.

**Executive Director for Economy
and Environment:**



Simon Neilson
Date: 6 February 2018

**Assistant Director –
Finance:**



James Walsh
Date: 6 February 2018

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.

Contact Officers:

Kelly Valente, E&E Lead Accountant,
☎ 01922 650826, ✉ kelly.valente@walsall.gov.uk

Mohammed Irfan, Senior Accountancy Officer
☎ 01922 652330, ✉ mohammed.irfan@walsall.gov.uk

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 **£984k**, 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 December 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					
	Annual Budget	Year End Forecast	Year End Variance before reserves	Net (use of) / transfer to Reserves	Variance net of reserves (under)/ overspend
Service	£k	£k	£k	£k	£k
Clean & Green Services	16,116	15,517	(599)	(93)	(692)
Communities & Partnerships	2,018	2,184	166	(209)	(43)
Democratic Services	1,420	1,421	1		1
Economy & Environment Management	155	175	20		20
Electoral Services	252	293	41		41
Finance	4,058	4,308	250	(255)	(5)
Housing Standards & Improvements	174	136	(38)	(20)	(58)
Human Resources	2,311	2,383	72	(74)	(2)
Information, Communication and Technologies	4,444	4,454	10	(139)	(129)
Integrated Facilities Management	4,494	4,819	325	(31)	294
Legal	1,569	1,523	(46)	(29)	(75)
Leisure, Culture & Operations	2,910	4,508	1,598	(1,768)	(170)
Money Home Job	4,883	5,034	151	(919)	(768)
Payroll & Pensions	87	82	(5)	(6)	(11)
Planning, Engineering & Transportation	8,698	8,638	(60)	538	478
Procurement	401	682	281	(230)	51
Programme Management	228	1,670	1,442	(1,462)	(20)
Regeneration & Development	532	463	(69)	234	165
Regulatory Services	1,841	1,810	(31)	(30)	(61)
Smarter Workplaces	350	602	252	(252)	0
	56,941	60,702	3,761	(4,745)	(984)

- 1.3 The key column is the right hand column showing the bottom line final variance position (totalling £984k). This is after use of various reserves detailed below and in appendix 1.
- 1.4 The predicted outturn includes use of reserves of **£6,830k** (where approval has been given by Cabinet for additional funds for specific services) and transfer to reserves of **£2,085k**. 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 and vacant posts across ICT.
 - Integrated Facilities Management – mainly due to cost pressures in relation to centralised maintenance and redundant buildings, offset by underspends in centralised energy and additional income in catering.
 - Leisure, Culture & Operations - Over spends mainly on Outdoor Adventure Centre, Active Living Centres and Bereavement, offset by under spend on salaries, supplies and income from Forest Arts
 - Money Home Job – underspend due to additional overpayment recovery income and vacant posts.
 - Planning, Engineering & Transportation – Shortfall in planning income combined with demand led costs for gully cleansing.
 - Regeneration and Development – Shortfall of income across markets and engineers time and unachieved Asset Management savings. This is offset by additional income from shops and commercial.

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

- 1.6 **Appendix 3** details the risks associated with this forecast which has been calculated as £353k. 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 £8,836k 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 £133k 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 - £55k.
- Change to provision of out of hours for Community Protection Service - £13k. Payment stopped w/e 5th November – mitigated through vacant posts.
- 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 December 2017) is subject to a capital **carry forward of £9,323k**. This is mainly due to the re-profiling of spend on Smarter Workplaces, Integrated Facilities Management refurbishment projects (Council House rewiring and Civic Centre heating); Library redesign, Digital data storage and Finance Systems. The position is summarised in **table 2** below.

2.2 In addition, a **Capital underspend totalling £410k** relates to the following schemes:

- Aids and Adaptations (£405k)
- Gas Holders Strategic Land Acquisition (£5k)

2.3 Note that the overspend on Health and safety / essential works (£245k) will be funded from the underspend on Aids and adaptations.

Table 2 – Capital Forecast

Service and scheme	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward
	£k	£k	£k	£k
<u>Council funded</u>				
Clean & Green Services				
Allotment and community garden strategy - Borneo Street	10	10	10	0
Arboretum Events Field – drainage scheme (RCCO)	65	0	65	0
Broadway West Playing Fields	50	0	50	0
Depot Security Control (RCCO)	78	46	78	0
Fryers Road Sprinkler System	268	0	50	(218)
Leamore Park additional funding	6	5	5	(1)
Mayrise System Mobile Working	12	12	12	0
Open Water	74	0	45	(29)
Reeds, Wood & Water Project	56	0	56	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	15	250	0
Improving Security in Local Partnerships	4	1	4	0
Finance				
Finance Direct / Oracle	19	8	19	0

Service and scheme	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward
Procurement system for (HRMS) and Oracle EBS financials	719	33	33	(686)
Human Resources				
HR Itrent upgrades (RCCO)	39	5	39	0
Information, Communication and Technologies				
Council wide IT planned rolling replacement and upgrade	49	49	49	0
Customer facing services being accessed by citizens	53	53	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	78	78	0
Essential microsoft upgrades & foundation for Office 365	102	74	102	0
Essential maintenance service warranty extensions and eventual server replacement	75	75	75	0
Essential refurb Council's digital data storage facilities	1,224	0	0	(1,224)
Essential upgrade to Blackberry Server	12	12	12	0
Essential upgrade of Windows	64	23	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	9	9	0
ICT requirement to cater for transitioned services	2	2	2	0
ICT wider area network	300	15	77	(223)
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	0	(81)
Single mobile devices for use within the new in-Tune platform	76	69	76	0
Housing Standards & Improvement				
Aids and adaptations	750	149	100	(650)
Health through warmth	84	17	84	0
Integrated Facilities Management				
Allocation for health and safety / essential works	724	685	969	245
Building work at Clayhanger	55	0	55	0
Civic Centre essential maintenance	73	19	73	0
Civic Centre heating	600	0	60	(540)
Civic Centre roof ladders	12	12	12	0
Council House BMS	70	0	20	(50)

Service and scheme	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward
Council House Cellar Tanking	50	0	50	0
Council House drainage survey	18	0	15	(3)
Council House rewiring	1,000	0	20	(980)
Darlaston recreation ground	0	1	0	0
Improving the customer experience when visiting the Council House	3	0	3	0
Replace heating & ventilation system Link Block	194	8	194	0
Schools Project	250	14	250	0
Solar PV panels	143	0	0	(143)
Leisure, Culture & Operations				
Active Living - Bloxwich (PWLb)	187	186	187	0
Active Living - Oak Park (PWLb)	369	192	192	(177)
Darlaston Swimming Pool	150	0	150	0
Headstone safety in Cemeteries (RCCO)	40	24	40	0
Leisure Management System	112	91	112	(0)
Library Redesign - Lichfield Street Hub	2,160	222	965	(1,195)
Open Plus in Libraries	397	0	397	0
Single Library Management System	100	6	100	0
Planning, Engineering & Transportation				
Challenge funding (RCCO)	245	0	245	0
Community Dropped Crossings	20	6	20	0
Hatherton Road Car Park	274	10	274	0
Highways maintenance	2,971	2,660	2,971	0
Migration of Urban Traffic control analogue communication network	185	148	185	0
Replacement development management, building control and land charge ICT system	30	0	0	(30)
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	21	200	0
Regeneration & Development				
Acquisition of Reservoir Place	770	770	770	0
Gas Holders Strategic Land Acquisition (prudential)	2,115	2,110	2,110	(5)
Holman's Strategic Land Acquisition (prudential)	525	0	0	(525)
New Homes Bonus	256	74	256	0
Primark and Co-op development	4	2	4	0
Regenerating Walsall	234	0	12	(222)
Rushall Olympic Football Club	6	0	0	(6)
Saddlers Shopping Centre (prudential)	13,802	13,242	13,341	(461)

Service and scheme	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward
Shop maintenance	7	0	7	0
Town and District Centres Public Realm	100	0	50	(50)
Walsall Market	500	9	55	(445)
Smarter Workplaces				
ICT	307	0	0	(307)
Property (prudential)	505	18	25	(480)
Total Council Funded	35,679	21,352	26,498	(9,181)
<u>Externally Funded</u>				
Clean & Green Services				
Allotment Improvement Programme External	18	8	8	(10)
Palfrey Park	7	0	7	0
Reedswood Improvement Plan	10	0	10	0
Reeds, Wood & Water Project (RCCO)	3	0	3	0
Walsall arboretum restoration programme (PRU)	371	81	371	0
Waste infrastructure capital grant	227	0	0	(227)
Willenhall Memorial Park Heritage and Habitats	50	12	18	(32)
Leisure, Culture & Operations				
Active Living Bloxwich (Grant)	104	0	104	0
Active Living Oak Park (Grant)	138	76	124	(14)
The New Art Gallery Walsall (Grant)	46	46	46	0
Housing Standards & Improvements				
Disabled facilities grant	2,718	1,375	2,718	0
Off Gas Scheme	280	61	280	0
Planning, Engineering & Transportation				
Additional Highway Maintenance pothole funding	188	188	188	0
Capital Block DFT Fund	2,148	1,275	2,148	0
Challenge funding	1,985	1,962	1,985	0
Development of Highways Asset Management Plan (HAMPS)	43	0	23	(20)
LTP including bridge strengthening 2010/11	231	0	231	0
LTP Yorks Bridge	85	10	25	(60)
Mill Lane Road Safety	0	0	0	0
Network Rail Scheme-Level Crossing	30	138	30	0
Pedestrian Crossing on Northgate	11	0	11	0
Programme Management				
Darlaston SDA	188	188	188	0
Growth Deal	34,888	3,105	34,888	0
Regeneration & Development				
A461 corridor junction improvements	90	29	90	0
A461 National Productivity Investment Fund (NPIF)	920	770	920	0
Gigaport Partner Contribution	9	9	9	0

Service and scheme	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward
Goscote Open Space	582	199	582	0
M6 Junction 10 Highway Improvements	264	120	264	0
Regenerating Walsall - Private Contributions	9	0	9	0
West Midlands Strategic Transport Plan (STP) 'Movement for Growth'	1,472	510	1,283	(189)
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	1	0	1	0
Total Externally Funded	47,116	10,162	46,564	(552)
	82,795	31,514	73,062	(9,733)

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

Appendix 1 - Analysis of 2017/18 Earmarked Reserves

The following is a breakdown of Earmarked reserves, which are a non-recurring budget:

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	83	83
Redundancy Reserve	0	(14)	0	(14)
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	57	0	0	0
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	(41)	0	(41)
Borough Analyst CS Grant	1	0	0	0
Buddi Tags	5	(5)	0	(5)
Business Crime Initiative	2	0	0	0
CCTV	13	0	0	0
Community Safety contingency	13	0	0	0
Community Safety - Road safety initiative	1	0	0	0
Domestic Abuse Co-ordinator	6	0	0	0
Drug and Alcohol Service	39	(39)	0	(39)
High Street Innovation	24	0	0	0
IRIS Project	22	(22)	0	(22)
Migrant Communities	3	(3)	0	(3)
No Cold Caller Initiative	12	0	0	0
Preventing violent extremism	95	(22)	0	(22)
Redundancy costs linked to savings	49	(49)	0	(49)
To Fund Area Partnerships	6	0	0	0
Voluntary sector commissioning	16	0	0	0
Working Smarter	132	(20)	0	(20)
Democratic Services				
Mayors civic awards	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
Economy & Environment Management				
IFRS - Transition funding	13	0	0	0
Finance				
Finance Direct	30	0	0	0
Interim executive director	20	(20)	0	(20)
Interim Transformation and Change Appointment	176	(176)	0	(176)
Recruitment to CEO and ED Childrens	59	(59)	0	(59)
Supporting the implementation of Internal Audit Contract.	40	0	0	0
Housing Standards & Improvements				
Fuel Poverty Grant	13	(13)	0	(13)
Private housing and health safety	46	(8)	0	(8)
Warm Homes	51	0	0	0
Human Resources				
Adult Workforce Development Programme	37	(37)	0	(37)
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	(25)	0	(25)
Redundancy costs linked to savings	6	(6)		(6)
Legal				
Fund purchase of Case Management System and heavy duty copier	16	(16)	0	(16)
ICT Equipment	13	(13)	0	(13)
Leisure, Culture & Operations				
Building Control Fee (ring fenced)	100	0	0	0
Donations	8	0	0	0
Feasibility Report	10	(10)	0	(10)
IFRS - Artist Development	15	(15)	0	(15)
IFRS - Arts Council England - dilapidations	36	(36)	0	(36)
IFRS - Arts Council England 11/12	115	(43)	0	(43)
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

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
IFRS - Exclusive Burial Rights Levy	79	(40)	19	(21)
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) Membership -	3	0	0	0
IFRS - NAG - Science Project	1	0	0	0
IFRS - NVQ Assessor	1	(1)	0	(1)
IFRS - Paul Hamlyn Foundation/Right to Read	4	0	0	0
IFRS - Walk On	8	(2)	0	(2)
IFRS - Way Forward Project	4	0	0	0
Inspired Generations (CSAF)	4	(4)	0	(4)
NAG - consultants contingency	12	(12)	0	(12)
Rates 2016/17 & 2017/18 for Bloxwich and Oak Park	579	(579)	0	(579)
Redundancy and pension costs linked to savings	971	(971)	0	(971)
Tate project	78	(78)	0	(78)
Windfall Income	0	0	48	48
Money Home Job				
Benefits – claw back of subsidy income	425	0	0	0
Crisis Support Scheme	535	(493)	0	(493)
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	(110)	0	(110)
Repossession grant	114	(16)	0	(16)
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	(42)	0	(42)
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

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
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
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	(2)	0	(2)
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	(18)	0	(18)
Mediation Reserve - legal fees Waverley Mast	68	0	0	0
Street lighting PFI	19,623	0	787	787
Willenhall Gas Works	114	(114)	0	(114)
Procurement				
Contribution to cost of temporary staff	200	(200)	0	(200)
Working Smarter	30	(30)	0	(30)
Programme Management				
Economic Growth Programme	1,004	(232)	0	(232)
ERDF TA Partner contributions	31	0	39	39
ESF TA Partner contributions 2017/18	0	0	10	10
Fund one match funding ERDF technical assistance project	30	0	0	0
IBC Partner Contributions	5	0	17	17
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	(29)	0	(29)
LGF Interest	603	(35)	244	209
Transformation Fund – workforce	61	(61)	0	(61)

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
Walsall Works	256	0	0	0
YEI overheads	0	0	116	116
Regeneration & Development				
Aldridge Manor	25	(25)	0	(25)
Asset Management System	44	(11)	0	(11)
Black Country core strategy	250	(60)	0	(60)
Black Country core strategy - SAD/AAP	29	0	0	0
Economic Growth Programme – Asset Management	8	0	50	50
Economic Growth Programme – Development and Delivery	76	0	177	177
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	(1)	0	(1)
Old Square Development	29	0	0	0
Phoenix 10	625	(120)	0	(120)
Pleck Boxing Club	68	(20)	0	(20)
Saddlers Centre	0	0	495	495
Uncapitalised expenditure	249	(248)	0	(248)
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	(252)	0	(252)
Total	34,259	(6,830)	2,085	(4,745)

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

Service	Reason / explanation for variance	Variance
		£k
Clean & Green Services	Additional W2R income and lower costs of disposal (£580k), plus underspends on: performance fee for the HWRCs (£220k), staffing costs (£185k), markets agency staff (£20k). Offset by £121k costs of agency on street cleansing, £97k cost of the fire at the transfer station, £45k costs for the clinical waste contract, £33k costs of waste agency, and £19k under achievement of income on grounds due to loss of contract	(692)
Communities & Partnerships	Holding posts vacant	(43)
Democratic Services	Salaries overspend mainly due to 16/17 savings not being fully achieved £6k, offset by underspends on non pay (£5k).	1
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 to be funded via grants received. Pressure relates primarily to costs relating to 2016 received in year.	41
Finance	Underspend on contracts. Part pressure of Mosaic Financials delay transferred to Central Costs	(5)
Housing Standards & Improvements	Under spend on salaries and additional income from private sector housing	(58)
Human Resources	E-learning license pressure £7k, and honorarium costs £20k, offset by vacancies and additional traded income (£29k).	(2)
Information, Communication and Technologies	Under spend primarily due to vacant posts (£31k) and reduced demand for print and design (£98k)	(129)
Integrated Facilities Management	Overspends on centralised maintenance £490k, redundant buildings £187k and additional cleaning cost £98k. Offset by underspends on civic buildings (£58k), centralised energy (£181k), centralised rent (£25k), vacant posts across the service (£87k), and additional income in catering (£101k) and other non-material underspends (£29k).	294
Legal	Underspend on vacant posts (£68k) and subscriptions (£7k)	(75)
Leisure, Culture & Operations	Over spends on £64k Outdoor Adventure Centre, £27k Leather Museum, Bereavement £98k include legal fees £25k, New Art Gallery £78k offset by under spends on Forest Arts (£112k), Sports Development (£35k), Active Living (£4k) Leisure Management (£43k) and Libraries (£243k)	(170)
Money Home Job	Postage £40k, computer expenditure £32k, bank charges £28k, overspend on housing support	(768)

	£329k, housing benefit subsidy £125k - total overspends of £554k. This is offset by underspends due to vacant posts and VRT (£321k), additional income from overpayment recovery (£776k), court cost income (£186k) and car allowances (£40k) - total underspends of (£1.322m).	
Payroll & Pensions	£5k forecast overspend relating to unachieved vacancy management, £15k agency staff costs and £1k overspend on non pay. Part offset by (£31k) overachievement of traded income	(11)
Planning, Engineering & Transportation	£100k underachievement of Planning Fees Income due to 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. Engineers time income shortfall (£129k) due to non capitalisation of overheads.	478
Procurement	Temporary staff costs due to delay in recruitment	51
Programme Management	Underspends within directorate support.	(20)
Regeneration & Development	Unachieved Asset Management saving £100k, EAT unrecoverable income £60k, Markets income shortfall (net of small under spends) £50k offset by over achievement off shops and commercial income.	165
Regulatory Services	Under spend on staffing with some overspend on unauthorised encampment expenditure (baliff costs).	(61)
		(984)

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	Clean & Green - non achievement of vacancy management	50	10
Clean and Green Services	Increase in waste, 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	50	10
NAG Capital	Possibility of overspend on BMS Upgrade. Lack of external funding.	30	6
Money Home Job	Additional income for court cost recovery	(116)	(23)
Money Home Job	Worsening in housing benefit subsidy forecast	100	20
	Total Low Risks	1,054	211
	Medium Risks		
Asset Management	Disputed service charges to Primark	60	24
Clean and Green Services	Increased contamination of co mingled waste and fluctuating gate fees from new recycling disposal contract	100	40
Integrated Facilities Management	Energy costs increase due to ongoing dispute with British Gas regarding historic debt	100	40
Leisure, Culture & Operations	Bereavement services – cemeteries income shortfall	80	32
Money Home Job	Further increase in overpayment recovery	(100)	(40)
Planning, Engineering & Transportation	Insufficient reactive maintenance budget. The pressure has previously been addressed by mitigating within the service area however with other budget pressures and yearly savings there are fewer opportunities to do this.	100	40
	Total Medium Risks	340	136
	High Risks		
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	(100)	(60)
Planning, Engineering & Transportation	Shortfall of planning application fee income	85	51
Regulatory Services	Incursion of additional unauthorised encampments	10	6
	Total High Risks	10	6
	Total	1,404	353

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