

REGENERATION SCRUTINY AND PERFORMANCE PANEL

Agenda Item No. 7

DATE: 16 July 2012

2011/12 FINAL BUDGETARY POSITION PRE-AUDIT

Ward(s) All

Portfolio:

Councillor Andrew – Regeneration

Summary of report

This report summarises the outturn revenue and capital position for the year ended 2011/12, subject to external audit, for services within the remit of the Regeneration Scrutiny and Performance Panel.

Recommendation

To note that the 2011/12 year end financial position for services under the remit of the Regeneration Scrutiny and Performance Panel, is a revenue variance (under spend) against budget of **£1.086m** (net of use of earmarked reserves/ carry forwards), and a capital under spend of **£0.195m** (net of approved slippage into 2012/13).

Background papers

Various financial working papers
Quarterly reporting to Scrutiny Panels throughout year
2011/12 Budget Book on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2011/12

Signed:



James T Walsh
Chief Finance Officer:
Date: 27 June 2012



Tim Johnson
Executive Director
Date: 2 July 2012

Resource and legal considerations

The accounts were monitored and reported on as part of the budget guidelines and all entries into the final accounts have been undertaken in line with the required accounting guidance and standards.

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 were put in place to mitigate overspends. 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

Consultation was undertaken as part of the budget setting process and throughout the financial year on the financial position and reporting thereof.

Contact Officer:

Chris Knowles, Lead Accountant

☎ 01922 650392, ✉ knowlesc@walsall.gov.uk

Revenue Outturn 2011/12 – Regeneration Directorate

- 1.1 The revenue outturn for 2011/12 for the services under the remit of the Regeneration Scrutiny and Performance Panel is an under spend against budget of **£1.086m** (net of the use of earmarked reserves and carry forwards of central contingency funding). This position is subject to external audit which will begin in June. Table 1 provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table 1 - Final Revenue Outturn 2011/12

Service Area	Annual Budget £	Final Outturn £	Year End Variance £	Variance Net of Reserves £	Carry Forwards £	Adjusted Variance £
Property Services	6,183,663	5,010,149	-1,173,514	-993,820	50,000	-943,820
Planning & Building Control	1,236,511	1,410,879	174,368	128,533	0	128,533
Strategic Regeneration	2,066,055	1,914,381	-151,674	-160,546	124,000	-36,546
Development & Delivery	1,503,759	1,569,843	66,084	-112,367	18,937	-93,430
Housing Services	4,210,993	2,832,291	-1,378,702	-174,424	91,070	-83,354
Regeneration Management	793,291	736,826	-56,465	-56,465	0	-56,465
Smarter Workplaces/ New Deal	606,757	1,248,247	641,490	-498	0	-498
TOTAL REGENERATION	16,601,029	14,722,616	-1,878,413	-1,369,587	284,007	-1,085,580

- 1.2 The budget for 2011/12 included approved savings of £0.961m. All savings targets were met for 2011/12.
- 1.3 The outturn includes use of reserves of £0.509m where approval was given by Cabinet for additional funds for specific services, and also transfers to reserves. **Table 2** provides a summary of these.

Table 2 – Net transfers to/from reserves

Service	Detail	£
Housing Services	Windfall income - council tax	69,647
Housing Services	Repossession grant	133,375
Housing Services	Preventing Homelessness grant	1,074,000
Housing Services	Court Desk grant	18,500
Housing Services	Warm Homes Healthy People fund	71,349
Property Services	Pleck boxing club	151,633
Property Services	Energy refund (windfall income)	35,509
Property Services	NNDR refunds windfall income	128,084
Development & Delivery	NNDR refunds windfall income	6,247
Development & Delivery	Markets windfall income	115,243
Development & Delivery	Section 106 – various contributions	20,511

Service	Detail	£
Planning & Building Control	Section 106	258,923
Transfers to reserves		2,083,020
Housing Services	Redundancy Payments	-44,922
Housing Services	Pay & Grading protection costs	-34,219
Housing Services	Repossession Grant spend - under IFRS	-26,259
Housing Services	Handyman Grant spend - under IFRS	-57,193
Smarter Workplaces	Office accommodation project	-38,000
Smarter Workplaces	Smarter workplaces	-320,988
Smarter Workplaces	Smarter workplaces - ICT	-283,000
Property Services	Darlaston baths roof	-32,113
Property Services	Local Authorities Business Growth Incentives scheme	-25,000
Property Services	Fire risk assessment	-3,871
Property Services	Carbon Management Plan Civic Centre variable speed drive	-29,494
Property Services	Pay & Grading protection costs	-45,052
Development & Delivery	Acquisition of Freer street	-1,740
Regeneration	Pay & Grading protection costs	-33,894
Planning & Building Control	Building Control fees	-72,378
Development & Delivery	Redundancy & pension payments	-49,125
Planning & Building Control	Redundancy & pension payments	-179,932
Development & Delivery	New Homes Bonus	-139,966
Development & Delivery	Section 106 income	-100,223
Planning & Building Control	Section 106 income	-19,831
Strategic Regeneration	Empty Shops fund	-3,766
Planning & Building Control	Housing Planning & Delivery Grant	-33,226
Use of Reserves		-1,574,192
Net transfer to reserves		508,828

1.4 The outturn also includes £284,007 of carry forwards to 2012/13 as follows:

- £75,070 – Housing Services under occupancy grant
- £16,000 – Housing Services training budget
- £125,000 – Strategic Regeneration service funding
- £18,937 – Development & Delivery central contingency
- £50,000 – Property Services Delves TMO works

1.5 The main reasons for the under spend position for services within the remit of the Panel are as follows:

- Holding posts vacant to under spend against salary budgets
- Reduced repairs and maintenance works
- Reduced premises costs
- Under recovery of Planning income

Full analysis of the variances is shown in **Appendix 1**.

2 Capital Outturn 2011/12 – Regeneration Directorate

2.1 The capital outturn for 2011/12 for the schemes under the remit of this panel is an under spend against budget of **£3.415m**, of which £3.221m has been approved to be carried forward into 2012/13, resulting in a net under spend of **£0.195m**. **Table 3** below provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 3 - Final Capital Outturn 2011/12

Service Area	Annual Budget	Final Outturn	Year End Variance	Carry Forward To 2011/12	Variance Net of Carry Forward
	£	£	£	£	£
<u>Mainstream (Council Funded) Resources</u>					
Property Services:	5,935,999	5,006,191	-929,808	900,705	-29,105
Regeneration	2,045,870	1,582,725	-463,145	463,142	-3
Housing	2,405,408	1,746,237	-659,172	509,322	-149,850
<u>Other (External) Resources</u>					
Property Services	1,118,590	626,954	-491,636	491,635	0
Regeneration	1,063,185	381,284	-681,899	668,951	-12,948
Housing	1,812,198	1,622,452	-189,746	187,007	-2,739
Total Regeneration	14,381,250	10,965,843	-3,415,406	3,220,762	-194,645

Appendix 1

Analysis of Reasons for Variances		
Service	Reason/ Explanation for Variance	Variance £
Housing	Under spend on staffing budgets - vacant posts and individuals not in superannuation scheme	-83,354
Strategic Regeneration	No contribution to Walsall Regeneration Co	-36,546
Regeneration Management	Bad Debt Provision - reduction in provision	-50,171
Regeneration Management	Training budget underspend	-6,294
Development & Delivery	Uncapitalised Expenditure	61,047
Markets	Under spends on supplies & services & transport	-14,242
Markets	Savings on overtime and agency costs budgets	-78,148
Markets	Savings on Contractor fees	-62,089
Planning & Building Control	Under recovery of income	128,533
Building Services	Under spends on staffing budgets & higher levels of income generated from recharges/ capital fees	-80,069
Redundant Buildings	Additional security costs	37,304
Non-School	Lower maintenance costs	-379,448
Schools	Un-rechargeable costs	106,398
Centralised Energy	Lower energy costs	-48,012
Hawbush	Additional income	-51,203
Central Office Accommodation	Lower premises (utility, maintenance) and 3rd party (security) costs	-206,988
Plant Maintenance	Lower staffing costs -vacant posts, low spend on o/time, allowances	-63,074
Caretakers Houses	Under spends on repairs and maintenance	-25,296
Asset Management	Lower fees income (lower level of asset disposals)	69,618
Unclassified Land	Higher levels of income	-28,424
Shops	Lower maintenance costs, reduction in bad debt provision, higher rents	-145,073
Design & Project Management	Lower staffing costs -vacant posts	-82,742
Cleaning, Caretaking, SCP	Lower income realised for the year	24,702
	Various other elements <£25k	-72,009
Total Variance		-1,085,580

Appendix 2 – Capital by scheme

MAINSTREAM (COUNCIL) SCHEMES	Total Budget £	2011/12 Total spend £	Variance £	Carry Forward to 2011/12 £	Over/ (under) spend £
Property Services					
Asbestos removal	155,000	153,031	-1,969	0	-1,969
Civic building air condition replacement	88,409	63,115	-25,294	0	-25,294
Collingwood Centre Car Park	9,378	9,378	0	0	0
Control of Legionella	275,000	292,640	17,640	0	17,640
Darlaston baths roof	60,000	272	-59,728	59,728	0
Demolition of redundant buildings	202,075	211,136	9,060	0	9,060
Fire risk assessment	200,000	169,053	-30,947	30,947	0
Freer Street structural works	90,241	18,388	-71,853	71,853	0
Green Lane Hostel	353,815	274,844	-78,971	78,971	0
Green Rivers	185,000	0	-185,000	185,000	0
Land at Pelsall Lane	130,000	0	-130,000	130,000	0
Planned property maintenance	166,850	179,729	12,878	0	12,878
Refurbishment of Leckie Sons of Rest	190,000	176,734	-13,266	13,266	0
Shop maintenance	49,554	19,027	-30,527	0	-30,527
Walsall Council House Improvements	180,000	27,625	-152,375	152,375	0
Statutory testing works	344,451	333,558	-10,893	0	-10,893
Smarter Workplaces - ICT	698,000	625,412	-72,588	72,588	0
Smarter Workplaces - Property	1,333,456	1,551,637	218,181	-218,180	0
Investment in ICT Technology	1,224,770	900,614	-324,157	324,157	0
	5,935,999	5,006,191	-929,808	900,705	-29,105
Regeneration					
Strategic acquisitions	574,800	574,800	0	0	0
Acquisition of Cool Trader	681,303	681,300	-3	0	-3
Regenerating Walsall	789,767	326,625	-463,142	463,142	0
	2,045,870	1,582,725	-463,145	463,142	-3
Housing					
Aids & adaptations	2,178,654	1,669,333	-509,321	509,322	0
Health through warmth	226,754	76,903	-149,850	0	-149,850
	2,405,408	1,746,237	-659,172	509,322	-149,850
Total Mainstream Regeneration	10,387,278	8,335,153	-2,052,125	1,873,169	-178,957

OTHER RESOURCES (EXTERNALLY FUNDED) SCHEMES	Total Budget £	2011/12 Total spend £	Variance £	Slippage to 2011/12 £	Over/ (under) spend £
Property Services					
Smarter Workplaces (Prudential)	938,590	451,050	-487,540	487,540	0
Aldridge Sports Pavilion	100,000	100,000	0	0	0
Collingwood Centre Car Park	80,000	75,905	-4,095	4,095	0
	1,118,590	626,954	-491,636	491,635	0
Regeneration					
Bridge St/Ablewell St THI - HLF	90,736	81,905	-8,830	57	-8,773
Relocation of Pleck Boxing Club	35,000	35,000	0	0	0
Walsall Town Centre 'Way Finding Project'	105,659	70,235	-35,423	31,248	-4,175
New Homes Bonus	136,790	136,790	0	0	0
Darlaston SDA - Moxley & Whitworth Close	20,000	7,870	-12,130	12,130	0
Willenhall THI - HLF	450,000	24,742	-425,258	425,258	0
Willenhall THI - VIEW contribution	225,000	24,742	-200,258	200,258	0
	1,063,185	381,284	-681,899	668,951	-12,948
Housing					
Contributions to Aids and Adaptations	59,362	59,362	0	0	0
Contributions to Health Through Warmth	215	215	0	0	0
Disabled facilities grant	1,493,270	1,493,270	0	0	0
Kickstart	187,007	0	-187,007	187,007	0
Growth Points - Heathfield Lane West	72,343	69,605	-2,739	0	-2,739
	1,812,198	1,622,452	-189,746	187,007	-2,739
Total Other Resources Regeneration	3,993,973	2,630,690	-1,363,281	1,347,593	-15,687