

**ENVIRONMENT  
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item  
No. 8**

**DATE: 08 SEPTEMBER 2011**

**2010/11 FINAL BUDGETARY POSITION PRE-AUDIT**

**Ward(s)** All

**Portfolio:**

Councillor Ansell – Transport and Environment

**Summary of report**

This report summarises the outturn revenue and capital position for the year ended 2010/11, subject to external audit, for services within the remit of the Environment Scrutiny and Performance Panel.

**Recommendation**

To note that the 2010/11 year end financial position for services under the remit of the Environment Scrutiny and Performance Panel, is a revenue overspend against budget of **£0.097m** (net of use of earmarked reserves/ carry forwards), and a capital underspend of **£0.029m** (net of approved slippage into 2011/12).

**Background papers**

Various financial working papers.  
Quarterly reporting to Scrutiny Panels throughout year  
2010/11 Budget Books on Council's Internet and Intranet

**Reason for scrutiny**

To inform the panel of the pre-audit financial position for 2010/11.

**Signed:**



**Executive Director:** Jamie Morris

**Date:** 3 August 2011

## **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.

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1 Revenue Outturn 2010/11 – Environment

1.1 The revenue outturn for 2010/11 for the services under the remit of the Environment Scrutiny & Performance Panel is an overspend against budget of **£0.097m** (net of the use of earmarked reserves / carry forwards). **Table 1** provides a pre-audit revenue outturn by service, and a full analysis of the material variances is shown in **Appendix 1**.

<b>Table 1 - Final Revenue Outturn 2010/11</b>					
<b>Service Area</b>	<b>Annual Budget £</b>	<b>Year End Outturn £</b>	<b>Year End Variance £</b>	<b>Use of Reserves / Approved Carry Forwards £</b>	<b>Variance Net of Reserves £</b>
<b>Street Pride</b>					
Street cleansing & public conveniences	2,141,234	2,053,452	-87,782	60,000	-27,782
Policy & performance	-52,512	-89,932	-37,420		-37,420
Waste management	11,702,404	11,409,032	-293,372	77,651	-215,721
Fleet services	4,260,756	4,420,859	160,103		160,103
Neighbourhood service management	-28,533	-34,166	-5,633		-5,633
<b>Engineering &amp; Transportation</b>					
Engineering & Transportation general	260,656	235,090	-25,566		-25,566
Highways maintenance	4,799,917	4,648,847	-151,070		-151,070
Public lighting	4,091,199	2,598,449	-1,492,750	1,521,077	28,327
Structures and geotechnics	664,846	512,464	-152,382		-152,382
Pollution control	811,810	774,240	-37,570	-17,430	-55,000
Road works management	2,608,476	3,164,625	556,149	-95,377	460,772
Major projects and minor improvements	2,196	-57,024	-59,220		-59,220
Engineering management	6,178,417	6,178,868	451		451
Traffic management	1,092,668	1,248,536	155,868		155,868
Transportation and forward planning	701,711	558,746	-142,965	164,675	21,710
<b>Total Environment</b>	<b>39,235,245</b>	<b>37,622,085</b>	<b>-1,613,160</b>	<b>1,710,596</b>	<b>97,436</b>

1.2 The outturn includes net use of and transfers to reserves of £1.711m where approval was given by Cabinet for additional funds for specific services, and include approved carry forwards from 2009/10, and to 2010/11 where applicable. **Table 2** provides a summary of these.

<b>Service</b>	<b>Detail</b>	<b>Amount Requested £</b>
<b>Centrally held earmarked reserves</b>		
E & T - Roadworks mgt	Potholes	-80,000
E & T - Roadworks mgt	Redundancy payments	-15,377
E & T - Trans & fwd planning	Redundancy payments	-8,817
E & T - Pollution	Redundancy payments	-17,430
<b>Carry forwards from 2010/11 into 2011/12</b>		
Street Pride	Fleet management system	60,000
<b>IFRS – receipts in advance from 2010/11 into 2011/12</b>		
E & T	Various receipts in advance	1,694,568
Street Pride	Various receipts in advance	77,652
<b>Total use of reserves</b>		<b>1,710,596</b>

1.3 The main reasons for the overspend position for services within the remit of the Panel are as follows: with full analysis of the variances is shown in **Appendix 1**.

- Engineering & Transport - £223k overspend mainly due to additional expenditure on pot hole repairs offset by reduced costs within the service.
- Street Pride - £126k underspend mainly due to lower employee costs with agency staff covering vacant posts.

## 2 Capital Outturn 2010/11 – Environment

2.1 The capital outturn for 2010/11 for the schemes under the remit of this panel is an underspend against budget of **£4.202m**, of which £4.173m has been approved to be slipped into 2011/12, resulting in a net underspend of **£0.029m**. **Table 3** provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

<b>Scheme</b>	<b>Annual Budget £m</b>	<b>Outturn £m</b>	<b>Slippage to 2011/12 £m</b>	<b>Underspend £m</b>
<b>Mainstream Resources</b>				
Street Pride	1.441	0.107	1.334	0.000
Engineering & Transportation	6.199	4.174	2.024	0.001
	<b>7.640</b>	<b>4.281</b>	<b>3.358</b>	<b>0.001</b>
<b>Non Mainstream Resources</b>				
Street Pride	0.801	0.193	0.608	0.000
Engineering & Transportation	0.274	0.040	0.206	0.028
<b>Total Externally Funded</b>	<b>1.075</b>	<b>0.232</b>	<b>0.815</b>	<b>0.028</b>
<b>Total Environment</b>	<b>8.715</b>	<b>4.513</b>	<b>4.173</b>	<b>0.029</b>

## Appendix 1 – Revenue Pre-audit Outturn variance analysis 2010/11

SERVICE	REASON / EXPLANATION FOR VARIANCE	VARIANCE £
E & T - Pollution	Vacancy Management (£33k); various underspends on supplies & equipment	(55,000)
E & T - Roadworks Management	Winter maintenance - additional expenditure on pothole repairs etc due to severe weather. £390k (To be offset by underspends in highways maintenance and structures & geotechnics) Under recovery of s74 income £70k	460,772
E & T - Highways Maintenance	Underspend due to cessation of works in Nov 2010. Underspend to be used to offset roadworks maintenance overspend	(151,069)
E & T - Street Lighting	Savings target not achieved. Budget re-aligned in 2011/12	28,327
E & T - Transportation & Forward Planning	Internal management & admin charge higher than expected	21,709
E & T - Engineering Design & Construction	Reduced spend on engineering projects (£25k)	(25,566)
E & T - Traffic & Transportation	Under recovery of car park income	155,868
E & T - Structures & geotechnics	Underspend due to reduction in limestone and mineshaft queries and spend on bridge repairs. Underspend to be used to offset roadworks maintenance overspend	(152,382)
E & T - Major Projects & Minor Improvements	Reduced spend on salaries due to vacant posts	(59,220)
Street Pride - Fleet Fuel & Oil	Underspend on fuel	(51,509)
Street Pride - Fleet Operations	Higher cost of tyres, materials and private contractor fees relating to repairs & maintenance of vehicles; additional employee costs relating to agency staff covering employee carrying out union duties; lower than anticipated income from MOT's;	192,904
Street Pride - Street Cleansing	Lower employee costs due to agency staff covering full time posts	(79,235)
Street Pride - Depot	Rates, utility and caretaking costs lower than budget	(47,515)
Street Pride - Waste Collection	Lower employee costs due to agency staff covering full time posts plus lower than anticipated spend on containers	(78,352)
Street Pride - Waste Disposal	Lower than anticipated costs on disposal & transport costs	(97,368)
Other		35,073
<b>Total variance</b>		<b>97,436</b>

## Appendix 2 - Capital outturn 2010/11

Service Area/Scheme	Annual Budget	Year End Forecast	Slippage	Variance
<b>Council Resources</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Street Pride:</b>				
Additional litter bins	9,825	9,825	0	0
Depot relocation	1,051,500	0	1,051,500	0
HSE works to Norfolk Place depot	264,000	97,185	166,815	0
Purchase of hot jet pavement cleaning machine	116,000	0	116,000	0
<b>Engineering and Transportation:</b>				
Beacon Road land slip - contingency	110,000	2,162	107,838	0
Combined wind turbine and street lighting	25,000	0	25,000	0
Disabled facilities at pedestrian crossings	48,572	47,220		(1,351)
Hatherton Road multi storey car park	200,000	0	200,000	0
Highways maintenance	450,000	0	450,000	0
Lower Bridge Street taxi rank	70,000	70,000		0
LTP including bridge strengthening	3,371,631	2,820,733	550,898	0
Town centre on street parking	201,813	142,506	59,307	0
Town centre transport package	1,092,039	1,092,039		0
Walsall TCTP ring road acquisition	630,000	0	630,000	0
<b>Total Council Resources</b>	<b>7,640,379</b>	<b>4,281,670</b>	<b>3,357,358</b>	<b>(1,351)</b>
<b>Externally Funded</b>				
<b>Engineering and Transportation:</b>				
Specific road safety grant (Road Safety Partnership)	16,622	16,622		0
Development of Highways Asset Management Plan (HAMPS)	193,970	4,444	162,328	(27,198)
Low emission strategy - Air quality grant	40,000	0	40,000	0
Contaminated land capital grant	22,739	18,678	4,061	0
<b>Street Pride:</b>				0
Waste infrastructure capital grant	162,642	0	162,642	0
Depot relocation	490,640	44,707	445,933	0
Purchase of leased vehicles	148,000	148,000		0
<b>Total Externally Funded</b>	<b>1,074,613</b>	<b>232,451</b>	<b>814,964</b>	<b>(27,198)</b>
<b>Total Environment</b>	<b>8,714,992</b>	<b>4,514,120</b>	<b>4,172,322</b>	<b>(28,550)</b>