

**COMMUNITY SERVICES  
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item  
No. 7**

**6 SEPTEMBER 2011**

**QUARTER 1 FINANCIAL MONITORING POSITION FOR 2011/12**

**Ward(s)** All

**Portfolio:**

Councillor Harris – Leisure and Culture  
Councillor Ali – Communities and Partnerships

**Summary of report**

This report summarises the predicted revenue and capital position for 2011/12, based on the performance for quarter 1 (1 April to 30 June 2011), for services within the remit of the Community Services Scrutiny & Performance Panel.

**Recommendation**

To note the 2011/12 forecasted year end financial position for services under the remit of the Community Services Panel is net revenue overspend of **£5k**, after the use of approved reserves and carry forwards and action planning. The capital forecast is for a break even position.

**Background papers**

Various financial working papers.  
Outturn report to Scrutiny Panel 2010/11  
2011/12 Budget Books on Council's Internet and Intranet

**Reason for scrutiny**

To inform the panel of the forecasted financial position for 2011/12 within the remit of this panel.

**Signed:**



**Executive Director:** Jamie Morris

**Date:** 2 August 2011

## **Resource and legal considerations**

Services are required to manage their services within budget. Overspends may arise for a number of reasons, including national economic and local factors. Further detail is provided within this report.

## **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 are in place to mitigate overspends within service. 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**

Senior managers within the services have been consulted and have signed off the forecast as accurate.

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## 1 Forecast Revenue Outturn 2011/12 – Community Services

- 1.1 The forecast revenue outturn for 2011/12 for the services under the remit of the Community Services Scrutiny & Performance Panel (based on the position as at the end of June 2011) is an overspend against budget of **£5k**, net of the use of earmarked reserves. The outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year-end forecast and achievement of approved savings.
- 1.2 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/overspends. Where overspends are predicted, managers are tasked to identify remedial action that can be made within service, and to report as part of a directorate action plan. All options will continue to be explored throughout the financial year so as to minimise any forecast overspends within service, and to manage additional risks as they arise.
- 1.3 The predicted outturn includes use of reserves of £7.192m (where approval has been given by Cabinet for additional funds for specific services) and approved carry forwards from previous years.
- 1.4 **Table 1** shows the forecast outturn for each service, with the only area of predicted overspend being in Trading standards due to the impact of additional legal costs (c£4,500).
- 1.5 Within the services associated with the panel there are a number of risks, totalling £219k which have not been included within the above forecast. At this stage the risks are not certainties and as such are not included in the monitoring as overspends. If the risks become certainties then alternative action will need to be identified or included in the position as overspends. A summary of the risk assessment is attached as **Appendix 1**
- 1.6 Included within the directorate budget are approved 2011/12 new investments and savings, as approved by Cabinet on 9 February 2011, totalling £358k and £1.940m respectively. The full year effect of previous years' investments and savings included in the budget are (£130k) investments and £254k savings. A full breakdown of these can be found in the 2011/12 Neighbourhood Services budget book. Any savings that are not able to be achieved in year are required to have alternative savings identified and are managed closely through the services divisional management teams and in liaison with the relevant portfolio holder.

**Table 1 – Forecast Revenue Outturn 2011-12**

<b>Service Area</b>	<b>Annual Budget £</b>	<b>Profiled Budget £</b>	<b>Year To Date £</b>	<b>Variance £</b>	<b>Year End Forecast £</b>	<b>Year End Variance £</b>	<b>Use of reserves £</b>	<b>Action Plan £</b>	<b>Expected Variance £</b>
<b><u>Communities &amp; Partnerships Portfolio</u></b>									
<b>Public Safety</b>									
Resilience (incl Emergency Planning)	530,850	132,681	112,870	(19,811)	535,850	5,000	(5,000)	0	0
Trading Standards (incl Licensing)	700,765	175,101	153,292	(21,809)	705,265	4,500	0	0	4,500
Environmental Health	1,555,202	388,734	378,780	(9,954)	1,555,202	0	0	0	0
Community Safety	680,142	169,971	160,040	(9,931)	744,405	64,263	(64,263)	0	0
<b>Leisure &amp; Culture</b>									
First Stop Shop	649,261	162,264	149,495	(12,769)	649,261	0	0	0	0
<b>Partnership</b>									
Area Partnerships	639,837	159,927	219,799	59,872	5,528,215	4,888,378	(4,888,378)	0	0
Voluntary & community sector	959,261	239,775	220,808	(18,967)	970,130	10,869	(10,869)	0	0
Preventing violent extremism	122,998	30,744	25,441	(5,303)	269,625	146,627	(146,627)	0	0
<b><u>Leisure, Culture &amp; Environment Portfolio</u></b>									
<b>Leisure &amp; Community Health</b>									
Sports Centres	870,252	215,841	195,336	(20,505)	927,252	57,000	(57,000)	0	0
Sports Development	295,715	73,848	108,686	34,838	453,936	158,221	(158,221)	0	0
Bryntysilio	9,625	2,403	70,373	67,970	9,625	0	0	0	0
Greenspaces	2,007,986	506,341	601,751	95,410	2,229,585	221,599	(221,599)	0	0
Bereavement Services	(788,910)	(182,805)	(232,220)	(49,415)	(788,910)	0	0	0	0
Marketing & Box office	28,520	7,125	8,409	1,284	28,520	0	0	0	0
Management Services	377,137	94,254	92,886	(1,368)	394,839	17,702	(17,702)	0	0
Catering	368,162	110,417	(37,226)	(147,643)	368,162	0	0	0	0
<b>Street Pride</b>									
Grounds Maintenance	3,199,395	800,557	550,137	(250,420)	3,204,645	5,250	(5,250)	0	0
<b><u>Walsall Adult &amp; Community College</u></b>									
Walsall Adult & Community College	155,771	118,968	90,806	(28,162)	1,105,825	950,054	(950,054)	0	0
WLLA	0	(3)	(51,041)	(51,038)	70,767	70,767	(70,767)	0	0
<b><u>Libraries, Heritage &amp; Arts</u></b>									
Creative Development Team	211,730	52,863	128,154	75,291	338,456	126,726	(126,726)	0	0
Libraries & Heritage	4,943,683	1,235,547	1,113,734	(121,813)	4,980,188	36,505	(36,505)	0	0
Illuminations	0	0	111	111	0	0	0	0	0
Arts & events	468,747	117,156	(249)	(117,405)	718,747	250,000	(250,000)	0	0
Art Gallery	734,973	185,950	183,464	(2,486)	917,512	182,539	(182,539)	0	0
<b>Total Community Services</b>	<b>18,721,102</b>	<b>4,797,659</b>	<b>4,243,635</b>	<b>(554,024)</b>	<b>25,917,102</b>	<b>7,196,000</b>	<b>(7,191,500)</b>	<b>0</b>	<b>4,500</b>

2 Forecast Capital Outturn 2011/12 – Community Services

2.1 The forecast capital outturn for 2011/12 for the schemes under the remit of this panel (as at the end of June 2011) is a predicted break even position against budget of **£10.356m**. **Table 2** shows a summary per service.

<b><u>Table 2 – Summary of Capital Programme - Outturn 2011-12</u></b>				
<b>Service Area</b>	<b>Annual Budget £</b>	<b>Year To Date £</b>	<b>Year End Forecast £</b>	<b>Year End Variance £</b>
<b>Mainstream</b>				
Public Safety	179,900	0	179,900	0
Libraries, Heritage & Arts	676,724	30,366	676,724	0
Leisure & Community Health	1,784,477	3,369	1,784,477	0
<b>Total Mainstream</b>	<b>2,641,102</b>	<b>33,735</b>	<b>2,641,102</b>	<b>0</b>
<b>Non Mainstream</b>				
Public Safety	0	(398)	0	0
Libraries, Heritage & Arts	3,850,000	74	3,850,000	0
Leisure & Community Health	3,845,528	136,269	3,845,528	0
Partnerships	19,285	(30,000)	19,285	0
Walsall Partnerships	41,500	0	41,500	0
<b>Total Non Mainstream</b>	<b>7,714,813</b>	<b>105,945</b>	<b>7,714,813</b>	<b>0</b>
<b>Total Capital</b>	<b>10,355,914</b>	<b>139,680</b>	<b>10,355,914</b>	<b>0</b>

## Appendix 1 Financial Risk Assessment - Revenue Budget 2011/12

POTENTIAL RISK	LOWEST COST	ASSESSMENT OF RISK	HIGHEST COST	ASSESSMENT OF RISK	TOTAL FINANCIAL EXPOSURE TO RISK
	£'000		£'000		£'000
<b>COMMUNITIES</b>					
Fall out of partnership contribution to walsall partnership support team	7	Medium	117	Medium	47
School library support service - Book purchase scheme- schools not restocking or closing down school libraries	0	Low	20	High	16
Libraries fees and charges - diminishing sales and rental	0	Low	11	Medium	4
Local History Centre - Air conditioning unit is using more electricity than predicted	0	Low	19	High	15
First Stop Shop Replacement of 12 PCs @ £500 each	0	Low	6	High	5
First Stop Shop Q-Maticcustomer flow implementation	0	Low	4	High	3
First Stop Shop BP288X ticket printer	0	Low	2	Medium	2
Catering - cease of grant to schools for school meals	0	Low	139	Medium	111
Leisure centres & sports development-ongoing property maintenance costs.	0	Low	20	Low	16
<b>Total</b>	<b>7</b>		<b>338</b>		<b>219</b>