

**CORPORATE AND PUBLIC SERVICES
OVERVIEW AND SCRUTINY COMMITTEE**

Agenda Item No. 10

DATE: 18 OCTOBER 2016

**CORPORATE AND PUBLIC SERVICES FINANCIAL PERFORMANCE – FORECAST
REVENUE AND CAPITAL OUTTURN FOR 2016/17**

Ward(s) All

Portfolio:

Councillor Sean Coughlan – Leader of the Council
Councillor Jeavons – Deputy Leader and Regeneration
Councillor Julie Fitzpatrick – Community, Leisure and Culture
Councillor Jones – Clean and Green
Councillor Diane Coughlan – Social Care
Councillor Nawaz – Personnel and Business Support

Summary of report

This report summarises the forecast revenue and capital financial position for 2016/17, based on the position to August 2016, for services within the remit of the Corporate and Public Services Overview and Scrutiny Committee.

The services that fall under this scrutiny panel fall under two Directorates as part of the operational reporting lines of the Council. Whilst all services listed here fall under this scrutiny panel the accountability for the services is split between the Change and Governance Directorate and the Economy and Environment Directorate.

Reason for scrutiny

To inform the committee of the forecast financial position for 2016/17 to allow the scrutiny of the financial performance of the services within the panel's remit.

Recommendation

To note that the forecast 2016/17 year end financial position for services under the remit of this Panel is as follows:

1. A revenue **underspend of £0.234m**, net of the use of and transfer to earmarked reserves and implementation of action plans.
2. A capital **carry forward request of £1.671m**.

Background papers

Various financial working papers
Revenue and Capital Outturn 2015/16 (Pre-Audit)
Corporate and Public Service Financial Performance – forecast revenue and capital outturn for Quarter 1 2016/17
Corporate Budget Plan and Treasury Management and Investment Strategy 2016/17.



Signed:

**Executive Director for Economy
and Environment:** Simon Neilson
Date: 7 October 2016

Chief Finance Officer:
James Walsh
Date: 7 October 2016

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 2016/17

1.1 The forecast revenue outturn for 2016/17 for the services under the remit of the Corporate and Public Services Overview and Scrutiny Committee is an underspend of **£0.234m**, net of the use of earmarked reserves. The predicted revenue outturn shown is based on actual information from the Oracle system as at the end of August 2016, 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.

Service	Annual Budget	Year End Forecast	Year End Variance	Net (use of) / transfer to Reserves	Windfall income	Action plan	Variance net of reserves (underspend/overspend)
	£k	£k	£k	£k		£k	£k
Clean & Green Services	17,825	17,415	(410)	(283)	506	0	(1,067)
Communities & Partnerships	1,637	1,945	308	(377)		0	(269)
Democratic Services	1,407	1,453	46	(34)		0	(12)
Economy & Environment Management	(30)	165	195	(95)		0	(95)
Electoral Services	492	507	15	0		0	15
Finance	4,000	4,074	74	(53)		0	(21)
Human Resources	2,981	2,935	(46)	(13)		0	(33)
Information, Communication and Technologies	4,607	4,715	108	(284)		0	(176)
Integrated Facilities Management	3,953	5,591	1,638	(11)		(300)	1,327
Internal Audit	273	273	0	0		0	0
Legal	1,589	1,547	(42)	0		0	(42)
Leisure, Culture & Operations	5,664	5,182	(482)	(134)	20	0	(636)
Money Home Job	6,695	7,732	1,037	(1,409)	302	(688)	(1,794)
Planning, Engineering & Transportation	9,099	8,670	(429)	530		0	101
Procurement	438	540	102	(54)		0	48
Programme Management	814	1,869	1,055	(1,069)		0	(18)

Regeneration & Development	775	1,358	583	(540)		0	
Smarter Workplaces	250	292	42	(42)		0	
	62,469	66,263	3,794	(3,868)	828	(988)	

- 1.3 The predicted outturn includes use of reserves of **£4.849m** (where approval has been given by Cabinet for additional funds for specific services) and requests for transfer to reserves of **£0.981m**. A breakdown of reserves is detailed in **Appendix 1**.
- 1.4 The following provides an analysis of the primary reasons for the forecast material variances;
- Clean and Green – Street Cleansing and Grounds Maintenance savings in salary costs offset by agency costs, plus identification of savings under the Every Penny Counts initiative.
 - Information, Communication and Technologies – delays in recruitment to vacant posts.
 - Integrated Facilities Management – mainly shortfall in design fee income
 - Leisure, Culture & Operations - Underspends on library staff and savings under the Every Penny Counts initiative
 - Money Home Job – Costs of supporting vulnerable clients with their housing have been mitigated by holding posts vacant, utilising external grants, delivering efficiencies in youth homelessness, and increased income from recovery of housing benefit overpayments.
 - Planning, Engineering & Transportation – shortfall in planning income

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 as part of an action plan. Action plans are in place for the following service areas:

- Money Home Job (£688k) to improve collection of housing benefits overpayments, release discretionary housing budgets and increased court cost income.
- Integrated Facilities Management (£300k) to increase efficiency in energy usage and reduce maintenance expenditure.

- 1.5 **Appendix 3** details the risks associated with this forecast and the total financial exposure to risk has been calculated as **£1.713m**. Risks are items that are uncertain at present and therefore 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.
- 1.6 Included within the approved budget for 2016/17 are £7.452m of approved savings relating to services within the remit of this committee (details are available in the corporate budget book). An update on the achievement of 2016/17 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 £287k have been identified as not being achievable, as follows:

- (a) Cease operation of the creative development team unless it can become self sustaining by 2017/18 (£16k)
- (b) Management restructure within Economy & Environment (£129k)
- (c) Integrated Facilities Management (IFM) - Review of structure (£143k)

Alternative savings have been identified for the first two items and plans are being developed to address the IFM saving.

2 Capital Outturn 2016/17

2.1 The forecast capital outturn for 2016/17 for the schemes under the remit of this panel (as at the end of August 2016) is a capital **carry forward request of £1.671m**, mainly due to re-profiling of spend of Smarter Workplaces, Walsall Markets and works to the Council House into 2017/18. The position is summarised on **table 2** below.

Table 2 - Forecast Capital Outturn 2016/17				
Service	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward
	£k	£k	£k	£k
<u>Council funded</u>				
Clean & Green Services				
Additional bins (RCCO)	653	196	653	0
Allotment & community garden strategy - Borneo Street	71	0	71	0
Fryers Road Sprinkler System	268	0	268	0
Jerome K Jerome Statue	8	0	8	0
Leamore Park additional funding	6	0	6	0
Mayrise System Mobile Working	40	16	40	0
Rushall skatepark (RCCO)	16	12	16	0
Replacement of wooden Trim Trail at King George V playing fields	23	0	23	0
St Peters Church - repairs to surrounding walls	25	0	25	0
Walsall Arboretum Car Park	434	1	434	0
Walsall Arboretum Restoration Programme - illuminated Park proposals	8	0	8	0
Walsall Green Pathways (RCCO)	3	2	3	0
Willenhall Memorial Park	23	0	23	0

Communities & Partnerships				
Improving Security in Local Partnerships	4	0	4	0
Finance				
Uninsured Property Damage	22	22	22	0
Finance Direct / Oracle	20	0	20	0
Human Resources				
HR Itrent upgrades (RCCO)	3	3	3	0
Information, Communication and Technologies				
Bring your own device security layers	51	0	51	0
Council wide IT planned rolling replacement and upgrade	83	0	83	0
Data backup system replacement	220	0	220	0
Data Centre Power Backup	310	0	310	0
Essential upgrade to Blackberry Server	12	0	12	0
Essential upgrade of Windows	77	10	77	0
ICT essential software licence charges	9	0	9	0
ICT requirement to cater for transitioned services	68	1	68	0
Service	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward
	£k	£k	£k	£k
Money home job core IT system (RCCO)	52	0	52	0
Smarter workplaces	18	4	18	0
Customer facing services being accessed by citizens	53	0	53	0
Integrated Facilities Management				
Asbestos Removal	68	1	68	0
Council Building Information Modelling	272	0	272	0
Data centre air conditioning (RCCO)	130	0	130	0
Planned property maintenance	218	25	218	0
Replace heating & ventilation system within First Stop Shop	100	0	100	0
Replace heating & ventilation system within link block	100	0	100	0
Safe water supplies	120	1	120	0
Solar PV panels	158	8	108	(50)
Statutory Testing	131	93	131	0
Civic Centre essential maintenance	149	2	149	0
Fire risk assessment	87	48	87	0
Improving the customer experience when visiting the Council House	773	9	510	(263)
Leisure, Culture & Operations				
Active Living - Bloxwich (PWLB)	514	511	514	0
Active Living - Oak Park (PWLB)	1,367	1,337	1,367	0
Bentley Community Facility	20	0	10	(10)
Gala baths refurbishment	388	355	388	0

Headstone safety in Cemeteries (RCCO)	30	18	30	0
Leisure Management System	51	6	51	0
Libraries Universal Digital Offer	66	0	66	0
Open Plus in Libraries	409	3	409	0
Pelsall Village (RCCO)	0	(55)	0	0
Single Library Management System	107	1	107	0
The New Art Gallery Walsall	0	(6)	0	0
Money Home Job				
Aids and adaptations	775	137	775	0
Health through warmth and related Retro Fit schemes	387	6	387	0
Planning, Engineering & Transportation				
Black Country Route Highway Safety Barrier	170	70	170	0
Caldmore Road one way scheme	91	29	91	0
Challenge funding (RCCO)	198	0	198	0
Hatherton Road Car Park	80	0	80	0
Highways maintenance	3,097	2,187	3,097	0
Migration of Urban Traffic control analogue network	125	0	125	0
Public Lighting invest to save LED (RCCO)	57	49	57	0
Service	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward
	£k	£k	£k	£k
Replace development management, building control & land charge ICT system	30	0	30	0
Replacement of obsolete traffic signal control equipment	150	19	150	0
Traffic signals infrastructure conversion LED signal operation (RCCO)	0	0	0	0
Upper Rushall Street car park repairs	100	1	100	0
Walsall TCTP ring road acquisition	6	0	6	0
Programme Management				
M6 Junction 10	650	0	650	0
Regeneration & Development				
Bloxwich Market Stalls	25	11	25	0
Bloxwich Heritage Project	10	0	10	0
Brownhills Land Acquisition	416	415	416	0
Primark & Co-op development	21	17	21	0
New Homes Bonus	277	1	277	0
Regenerating Walsall	223	0	100	(123)
Rushall Olympic Football Club	7	1	7	0
Shop maintenance	17	0	17	0
Walsall Market	500	0	100	(400)

Smarter Workplaces				
ICT	307	0	0	(307)
Property (prudential)	530	2	12	(518)
Total Council Funded	16,087	5,569	14,416	(1,671)
Externally Funded				
Clean & Green Services				
Allotment Improvement Programme External	25	0	25	0
Jerome K Jerome Statue	2	2	2	0
Palfrey Park	7	0	7	0
Pocket Parks Chuckery Green	21	21	21	0
Pocket Parks Edible Garden	8	8	8	0
Reedwood Park	36	26	36	0
Rushall skatepark	111	111	111	0
Walsall arboretum restoration programme (PRU)	425	10	425	0
Waste infrastructure capital grant	227	0	227	0
Leisure, Culture & Operations				
Active Living Bloxwich (Grant)	538	119	538	0
Active Living Oak Park (Grant)	1,112	0	1,112	0
Forest Arts Centre (Hall conversion -Arts Council)	9	6	9	0
Pelsall Village Centre	0	(8)	0	0
The New Art Gallery Walsall (Grant)	63	38	63	0
Service	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward
	£k	£k	£k	£k
Money Home Job				
Contribution Aids and Adaptations	10	0	10	0
Disabled facilities grant	2,145	1,207	2,145	0
Off Gas Scheme	650	7	650	0
Planning, Engineering & Transportation				
Capital Block DFT Fund	2,374	477	2,374	0
Challenge funding	1,599	693	1,599	0
Development of Highways Asset Management Plan (HAMPS)	61	18	61	0
DFT Pot hole funding	140	0	140	0
Low emission Strategy	1	0	1	0
LTP including bridge strengthening 2010/11	244	0	244	0
LTP Yorks Bridge	100	2	100	0
Managing Short Trips	544	155	544	0
Mill Lane Road Safety	2	2	2	0
Pedestrian Crossing on Northgate	19	0	19	0

Programme Management				
Accessing Growth	14	14	14	0
Darlaston SDA	1,391	491	1,391	0
Growth Deal	45,952	4,161	45,952	0
Growth Deal - LTB	1,325	555	1,325	0
Local Transport Plan (LTP)	1,417	98	1,417	0
Regeneration & Development				
Black Country Enterprise Zone	38	0	38	0
Gigaport Partner Contribution	41	1	41	0
Regenerating Walsall - Private Contributions	8	0	8	0
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	53	0	53	0
Smarter Workplaces				
Police move Civic Centre	12	0	12	0
Total Externally Funded	60,724	8,214	60,724	0
	76,811	13,783	75,140	(1,671)

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

Appendix 1 - Analysis of 2016/17 Earmarked Reserves

Service / Reserve description	Total approved reserve £k	Forecast use of reserve £k	Transfer to reserve £k	Net use of reserve £k
Clean & Green Services				
Additional potential waste arising for 15/16	266	(266)	0	(266)
Consultancy work related to waste collections	50	(50)	0	(50)
ICT for Greenspaces	15	(15)	0	(15)
IFRS - DEFRA - Stewardship funding	5	0	0	0
IFRS - Forestry Commission	12	0	0	0
IFRS - Natural England	44	0	0	0
IFRS - Section 106	585	0	73	73
Investment in water recycler for vehicle wash	25	(25)	0	(25)

Communities & Partnerships				
Anti social behaviour	10	(10)	0	(10)
Area Partnerships NHS projects	38	0	0	0
Area Partnerships Performance reward grant	59	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	203	(180)	0	(180)
Area Partnerships Strategic Resource	65	(65)	0	(65)
Borough Analyst CS Grant	11	(11)	0	(11)
Business Crime Initiative	25	(25)	0	(25)
Community Development Links	5	0	0	0
Community Safety	1	(1)	0	(1)
Community Safety contingency	6	0	0	0
Communities projects carried forward to 2016/17	15	0	0	0
Community Safety West Midlands Sexual Assault Referral Centre	15	0	0	0
Domestic Abuse Co-ordinator	6	0	0	0
Domestic Homicide Review	19	(19)	0	(19)
Funding projects in Moxley	7	(7)	0	(7)
No Cold Caller Initiative	12	0	0	0
Preventing violent extremism	124	(20)	0	(20)
To Fund Area Partnerships	43	(38)	0	(38)
Training for community associations	8	0	0	0
Voluntary sector commissioning	16	0	0	0
Democratic Services				
Mayors civic awards	3	0	0	0
Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
Funding of temporary staff	25	(25)	0	(25)
Economy & Environment Management				
Economic Growth Programme	95	(95)	0	(95)
IFRS - Transition funding	13	0	0	0
LGF pipeline pot (previously BC transport director)	43	0	0	0
Finance				
Equal pay	18	0	0	0
Finance Direct	30	(30)	0	(30)
Finance Direct Restructure	47	0	0	0

Risk Management	46	0	0	0
Redundancy costs linked to savings	23	(23)	0	(23)
Human Resources				
HR staffing	10	(10)	0	(10)
Recruitability Scheme	29	(3)	0	(3)
Upgrade of HR system	78	0	0	0
Information, Communication & Technologies				
Funding of workstreams to deliver essential capital projects	203	(203)	0	(203)
Information Management Project	60	(60)	0	(60)
Redundancy costs linked to savings	14	0	0	0
Revenue implications of various capital schemes	52	0	0	0
Working Smarter	227	0	0	0
Program Delivery Contingency	21	(21)		(21)
Integrated Facilities Management				
Redundancy costs linked to savings	11	(11)		(11)
Internal Audit				
Use of temporary staff and computer audit costs	11	0	0	0
Web based portal	13	0	0	0
Legal				
Children's Improvement Plan	12	0	0	0
Funding of temporary staff	18	0	0	0
Leisure, Culture & Operations				
Building Control Fee (ring fenced)	47	0	10	10
Casual Pool Account Pension costs	23	(23)	0	(23)
Consultant review service	10	(10)	0	(10)
IFRS - Arts Council England - dilapidations	36	0	0	0
IFRS - Arts Council England 11/12	115	0	0	0
IFRS - Arts Council England 12/13 - Regular Grant	112	0	0	0
IFRS – Bookstart	5	0	0	0
Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
IFRS - Doorstep Sports Club	6	0	0	0
IFRS - Environmental Levy	569	0	0	0
IFRS - Exclusive Burial Rights Levy	97	(30)	21	(9)
IFRS - Marketing Promotion Sport England 11/12 & 12/13	33	(16)	0	(16)
IFRS - NAG - ABC (Audience Black Country) Membership -	3	0	0	0

IFRS - NAG - Science Project	1	0	0	0
IFRS - NVQ Assessor	1	0	0	0
IFRS - Paul Hamlyn Foundation/Right to Read	4	0	0	0
IFRS - Walk On	11	0	0	0
IFRS - Way Forward Project	4	0	0	0
Inspired Generations (CSAF)	42	(42)	0	(42)
Storage	6	(6)	0	(6)
Tate project	86	(7)	0	(7)
Willenhall Lawn Cemetery feasibility	30	(30)	0	(30)
Money Home Job				
Additional resources	250	(250)	0	(250)
Benefits - clawback of subsidy income	425	0	0	0
Crisis Support Scheme	1,109	(581)	0	(581)
Fuel Poverty Grant	13	0	0	0
Housing improvement projects	88	0	0	0
Improve security at Rivers House	88	(80)	0	(80)
Preventing homelessness	587	(57)	0	(57)
Private housing & health safety	74	(30)	0	(30)
Repossession grant	154	(45)	0	(45)
Social care worker for exempt accommodation	47	(47)	0	(47)
Warm Homes	51	0	0	0
Redundancy costs linked to savings	319	(319)	0	(319)
Planning, Engineering & Transportation				
Bus Lane enforcement	262	(150)	0	(150)
Commuted sum Shannon's Mill	48	(6)	0	(6)
Financial appraisals	8	0	0	0
Mediation Reserve - legal fees Waverley Mast	68	0	0	0
IFRS - ABG - Sustainable school travel advisors	61	0	0	0
IFRS - DFT - Road safety grant	39	0	0	0
IFRS - Walsall PCT - Active school travel project (A stars)	50	0	0	0
IFRS - DFT - Bikeability 2010	16	0	0	0
IFRS - DFT - Bikeability grant	8	0	0	0
IFRS - DFT - Bikeability 2010	29	0	0	0
Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
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 - Driver Improvement (Dudley Council)	15	0	0	0
IFRS - Local Road Safety 2015/16	35	0	0	0
IFRS - Midlands Air Quality funds (B'ham CC) 2013/14	9	0	0	0
IFRS - Midlands Air Quality funds (B'ham CC) 2012/13	30	0	0	0
IFRS - Post 16 Travel 2013/14 (Children's Services)	22	0	0	0
IFRS - S106 planning	244	0	0	0
IFRS - School Strategy 2015/16 (Children's Services)	25	0	0	0
IFRS - School Strategy 2012/13 (Children's Services)	16	0	0	0
IFRS - Sustainable Drainage Grant	73	0	0	0
Retirement costs	129	(129)	0	(129)
Street lighting PFI	18,543	0	877	877
Willenhall Gas Works	62	(62)	0	(62)
Procurement				
Contract review	54	(54)	0	(54)
Programme Management				
City Deal loans	2,500	0	0	0
Economic Growth Programme	2,264	(120)	0	(120)
ERDF TA Walsall contribution	9	0	0	0
Growth Hub	10	0	0	0
IFRS - City Deal - Welfare Pilot	2,018	(721)	0	(721)
IFRS - LEP-Core funding	146	0	0	0
IFRS - LEP-Hestletine funding	202	0	0	0
LGF Interest	267	(29)	0	(29)
Strategic Regeneration - SEED/GOLD	33	(13)	0	(13)
Walsall Works	564	(186)	0	(186)
Regeneration & Development				
Asset Management system	48	(6)	0	(6)
Black Country core strategy	74	(60)	0	(60)
Economic Growth Programme	94	(94)	0	(94)
Enterprise Zones - professional fees	48	0	0	0
IFRS - Contribution for participation in Pilot Scheme	9	0	0	0
IFRS - Dev & Del grant S106	69	(9)	0	(9)
Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
IFRS - Salary cost	44	0	0	0

High St Innovation	27	(5)	0	(5)
New Homes Bonus (Housing loans etc)	36	0	0	0
Phoenix 10 - professional fees	795	(143)	0	(143)
Pleck Boxing Club	87	(19)	0	(19)
Old Square Development	20	0	0	0
Uncapitalised expenditure	260	(200)	0	(200)
Smarter Workplaces				
Smarter Workplaces	352	(42)	0	(42)
TOTAL	37,346	(4,849)	981	(3,868)

Appendix 2 – Explanation of 2016/17 forecast Revenue Variations by Service

Service	Reason / explanation for variance	Variance £k
Clean and Green Services	Street Cleansing and Grounds Maintenance savings in salary costs offset by agency costs (£112k), plus identification of savings under the Every Penny Counts initiative.	(187)
Communities & Partnership	(£35k) relating to community safety/cohesion and (£34k) saving from vacant posts	(69)
Democratic Services	Additional staffing costs in constitutional services following 16/17 savings	12
Economy & Environment Management	Management restructure saving not fully achieved	100
Electoral Services	Continuing spend on individual electoral registration	15
Finance	Use of temporary staff	21
Human Resources	Vacant posts not recruited to and (£42k) under the Every Penny Counts initiative	(59)
Information, Communication and Technologies	Reduced materials spending in print and design (£54k) and staff costs recovered from internal services (£43k), (£27k) under the Every Penny Counts initiative and (£51k) vacant posts	(176)
Integrated Facilities Management	Forecast overspends on centralised maintenance £500k, contract management £283k, shortfall in design fees £1.019m, overspend on redundant buildings £50k and supplies and services £3k. Offset by forecast underspends on centralised energy (£300k), centralised rents (£50k), FM buildings (£50k), savings on food costs in catering (£50k), underspend in post room (£8k), (£39k) under the Every Penny Counts initiative and (£31k) vacancy saving.	1,327
Legal	(£30k) relating to subscriptions and (£12k) salary saving	(42)
Leisure Culture & Operations	Mainly due to Library under spends (£608k) - due to vacant posts and Every Penny Counts review (£150k book fund).	(596)
Money Home Job	£1m overspend on subsidy is offset by releasing discretionary housing payment budget (£300k), additional overpayment income (£300k), additional grant income (£302k), reduction in youth homelessness costs (£223k), increase in the overpayment debtor (£89k), (£135k) under the Every Penny Counts initiative and (£412k) vacant	(758)

	posts	
Planning, Engineering & Transportation	Shortfall in planning income	101
Procurement	Use of temporary staff	48
Programme Management	Stationery and materials underspends	(14)
Regeneration & Development	Markets income shortfall (£92k) offset by salaries due to part year vacant post	43
TOTAL VARIANCE		(234)

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	Increased risk of insurance claims due to lower maintenance of trees	25	5
Leisure, Culture & Operations	Active Living Centres - risk that the new centres will not generate the expected levels of income	100	20
Integrated Facilities Management	Energy cost forecasts are based on 2015/16 but risk that this performance may not reoccur in 2016/17 due to changing weather conditions which may lead to higher energy usage.	400	80
Money Home Job	Quarter 1 assessment of the year end subsidy position shows a dramatic increase. An improvement of £500k has been included in the forecast outturn however if improvements continue then the forecast outturn could be better by a further £1m.	(1,000)	(200)
	Total Low Risks	365	73
	Medium Risks		
Clean and Green Services	Possible loss of income	110	44
Integrated Facilities Management	Risk of challenge from schools over level of management fee, and schools deciding not to use IFM services, including catering service, due to perceived high costs.	578	231
Integrated Facilities Management	Review of Maintenance Framework - may not produce required efficiencies and delays could result in increased costs.	500	200
Leisure, Culture & Operations	Creative Development Team - Inability to achieve income target due to reduced staffing capacity to deliver commissions and projects.	30	12
Leisure, Culture & Operations	Local History Centre - Inability to achieve income target through the reduction in hours open to the public	5	2
Planning, Engineering & Transportation	Engineering - shortfall in car parking income from reduced usage or loss of car parks	50	20
Planning, Engineering & Transportation	Engineering - additional road maintenance / gulley cleaning required	125	50

	Total Medium Risks	1,398	559
	High Risks		
Clean and Green Services	Increase in waste arisen, or non diversion of waste	300	180
Service Area	Potential Risks	Highest Cost	Total Estimated Exposure
		£k	£k
Clean and Green Services	Increased contamination of co mingled waste and fluctuating gate fees from new recycling disposal contract	135	81
Planning, Engineering & Transportation	Engineering - impact of a severe winter requiring additional work and gritting	100	60
Planning, Engineering & Transportation	Shortfall of planning application fee income	100	60
Planning, Engineering & Transportation	Shortfall of Land Charges fee income	70	42
Regeneration & Development	Shortfall of Markets income	75	45
	Total High Risks	780	468
	Total	2,543	1,713

Appendix 4 – Acronyms

Acronym	Description
ABG	Area Based grant
BC	Black Country
BCBPIP	Black Country Business Property Investment Programme
CSAF	Community Sport Activation Fund
CS	Community Support
DEFRA	Department for Environment Food & Rural Affairs
DFT	Department for Transport
ERDF	European Regional Development Fund
GOLD	Growth Opportunities: Local Delivery
HR	Human Resources
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standard
LED	Light Emitting Diode
LEP	Local Enterprise Partnership
LGF	Local Growth Fund
LTP	Local Transport Plan
NAG	New Art Gallery
NVQ	National Vocational Qualification
PCC	Police and Crime Commissioner
PCT	Primary Care Trust
PFI	Private Finance Initiative
PRU	Prudential
PWLB	Public Works Loan Board
PV	Photovoltaic
RCCO	Revenue Contribution to Capital Outlay
SEED	Supporting Employment & Enterprise Development
TA	Technical Assistance
TCTP	Town Centre Transport Planning
W2R	Waste to Resources