

DATE: 19 February 2019

**ECONOMY & ENVIRONMENT FINANCIAL PERFORMANCE – FORECAST REVENUE AND
CAPITAL OUTTURN FOR 2018/19 – Quarter 3 period ended 31 December 2018**

Ward(s) All

Portfolio:

Councillor Adrian Andrew – Deputy Leader of the Council

Councillor Perry – Community, Leisure and Culture

Councillor Harrison – Clean and Green

Executive Summary

This report summarises the forecast revenue and capital financial position for 2018/19, based on the position to December 2018, for services within the remit of the Economy and Environment Overview and Scrutiny Committee. The following RAG reporting criteria is used for capital and revenue outturn purposes:

RED	Overspend more than 5% of net budget (£1.37m)
AMBER	Overspend more than 0.1% of net budget (£0.027m)
GREEN	Overspend less than or equal to 0.1% of net budget

The revenue position is a forecast overspend of £0.148m (**AMBER**).

The capital position is a forecast variance of £7.166m (**GREEN**), which comprises true project under spends of £0.936m, carry forward requests of £6.619m and overspends of £0.389m for which budget virements are pending.

There are currently risks associated with this forecast and the total financial exposure to risk has been calculated as £0.627m, RAG rated as follows:

- **RED** (high) risks - £0.380m
- **AMBER** (medium) risks - £0.212m
- **GREEN** (low) risks - £0.035m

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.

Reason for scrutiny

To inform the committee of the forecast financial position for 2018/19 to allow the scrutiny of the financial performance of the services within the committee's remit.

Recommendation

To note that the forecast 2018/19 year end financial position for services under the remit of this committee is as follows:

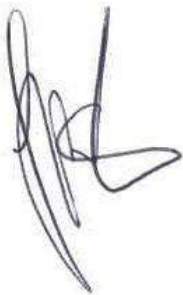
1. REVENUE (RAG Status – **AMBER**) **overspend of £0.148m**, net of the use of and transfer to earmarked reserves and implementation of action plans.
2. CAPITAL (RAG Status - **GREEN**) **variance of £7.166m**; which comprises **underspends of £0.936m**; **carry forward requests of £6.619m**; and **overspends of £0.389m**.

Background papers

Various financial working papers

Corporate Budget Plan and Treasury Management and Investment Strategy 2018/19.

Signed:



Executive Director for Economy and Environment: Simon Neilson
Date: 11 February 2019



Executive Director for Resources and Transformation: James Walsh
Date: 11 February 2019

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.

Council Corporate Plan Priorities:

The Directorate impacts on the priorities of: Economic Growth, People, Internal Focus, Children and Communities. Good financial management supports the council objective of having a modern resilient council that can provide value for money, efficient and effective services.

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.

Reducing Inequalities:

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 2018/19 (RAG Status – AMBER)

The forecast revenue outturn for 2018/19 for the services under the remit of the Economy and Environment Overview and Scrutiny Committee is an overspend of £0.148m, 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 2018, and discussions with managers regarding year end forecast and achievement of approved savings.

1.1 **Table 1** below shows the forecast outturn for each service.

Table 1 – forecast revenue outturn					
Service	Annual Budget	Year End Forecast	Year End Variance	Net (use of)/ transfer to Reserve	Variance net of reserves (under)/ overspend
	£m	£m	£m	£m	£m
Clean & Green Services	16.501	16.422	(0.079)	(0.251)	(0.330)
Economy & Environment Management	0.064	0.189	0.125	0.00	0.125
Leisure, Culture & Operations	2.625	2.767	0.143	(0.171)	(0.028)
Planning, Engineering & Transportation	9.003	9.162	0.159	0.041	0.201
Programme Management	0.249	1.766	1.517	(1.542)	(0.025)
Regeneration & Development	0.365	1.118	0.752	(0.489)	0.263
Regulatory Services	1.844	1.841	(0.003)	(0.056)	(0.059)
Smarter Workplaces	0.350	0.350	(0.000)	0.00	(0.000)
	31.000	33.615	2.614	(2.465)	0.148

1.2 The predicted outturn includes use of reserves of **£3.252m** (where approval has been given by Cabinet for additional funds for specific services) and requests for transfer to reserves of **£0.787m**. A breakdown of reserves is detailed in **Appendix 1**.

1.3 The following provides an analysis of the primary reasons for the forecast material variances;

- Clean & Green – General underspends on disposal costs and W2R contract.
- Economy and Environment Management – unachieved efficiency savings.
- Planning, Engineering and Transportation – overspend on depot costs
- Regeneration and Development – forecast unachieved Asset Management savings for both 2017/18 and 2018/19

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 this as part of an action plan. Work to identify mitigating actions is in progress. It is expected that the majority of this forecast overspend will be mitigated in year through efficiencies in the directorate.

- 1.4 **Appendix 3** details the risks associated with this forecast and the total financial exposure to risk has been calculated as **£0.627m**. 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.
- 1.5 Included within the approved budget for 2018/19 are £2.216m of approved savings relating to services within the remit of this committee. An update on the achievement of 2018/19 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 £0.824m have been ragged **RED** as not being achievable, as follows

- Clean & Green – Garden waste 3 weekly - £0.036m (note that as this has been formally removed by Cabinet during 2018/19 so is a change in policy rather than a 'non-achieved saving').
- Clean & Green - Waste collection 4 day working week - £0.063m
- Economy & Environment Management - Operational efficiencies across E&E including Management savings - £0.100m
- Planning, Engineers & Transportation - Highways maintenance renewed contract - £0.100m
- Planning, Engineers & Transportation - FYE Highways maintenance contract - £0.050m
- Planning, Engineers & Transportation – Introduction of a street and road works permit scheme - £0.075m
- Planning, Engineers & Transportation – Redesign and reduce traffic management - £0.050m
- Regeneration & Development - Asset Management - Transformation work based on 'our assets' - £0.350m

Clean and Green, Economy & Environment Management and Asset Management red savings are reflected in the reported forecast overspend. However, it is still intended to identify alternative under spends to achieve the Planning, Engineers and Transportation savings.

There are no **AMBER** savings.

2 Capital Outturn 2018/19 (RAG Status – GREEN)

2.1 The capital position for the schemes under the remit of this committee is a forecast variance of £7.166m (GREEN), which comprises:

- **carry forward request of £6.619m** mainly due to reprofiling of spend on the District town centres public realm programme of work, Walsall market and Highways Maintenance Capital Block.
- **underspends of £0.936m** mainly due Smarter Workplaces project which will be superseded by the Proud Programme.
- **Overspend of £0.389m** attributable to DFT Road/Bridge Maintenance and York's Bridge where budget virements are to be processed.

Table 2 – Capital Forecast

Service and scheme	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward	Type of Variance
	£m	£m	£m	£m	£m
<u>Council funded</u>					
Clean & Green Services					
Arboretum Events Field - drainage scheme (RCCO)	0.100	0.098	0.100	0.000	
Broadway West Playing Fields	0.150	0.000	0.050	(0.100)	Carry Forward £0.042m/ Under-spend £0.058m.
Fryers Road Sprinkler System	0.268	0.000	0.015	(0.253)	Carry Forward
Kings Hill Park	0.015	0.000	0.015	0.000	
Open Water	0.065	0.023	0.065	0.000	
Replacement of wooden Trim Trail at King George V playing fields	0.001	0.000	0.001	0.000	
St Peters Church - repairs to surrounding walls	0.025	0.000	0.003	(0.022)	Carry Forward
Walsall Arboretum Car Park	0.009	0.000	0.009	0.000	
Walsall Arboretum Restoration Programme - illuminated park proposals	0.005	0.000	0.005	0.000	
Willenhall Memorial Park	0.014	0.007	0.014	0.000	
Leisure, Culture & Operations					
Active Living - Bloxwich (PWLb)	0.001	0.000	0.001	0.000	
Active Living - Oak Park (PWLb)	0.177	0.019	0.177	0.000	
Bloxwich Active Living – interactive aquatics play	0.030	0.000	0.030	0.00	
Darlaston Swimming Pool	0.150	0.150	0.150	0.000	
Oak Park-Artificial Grass Pitch	0.150	0.000	0.150	0.000	
Headstone safety in Cemeteries (RCCO)	0.048	0.039	0.048	0.000	

Service and scheme	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward	Type of Variance
	£m	£m	£m	£m	£m
Leisure Management System	0.018	0.009	0.018	0.000	
Library Redesign - Lichfield Street Hub	4.365	3.715	4.365	0.000	
Mobile Technology Implementation for Building Control	0.012	0.009	0.012	0.000	
Oil Tank above Gala Baths	0.031	0.031	0.031	0.000	
Open Plus in Libraries	0.397	0.069	0.397	0.000	
Single Library Management System	0.094	0.012	0.094	0.000	
Planning, Engineering & Transportation					
Community Dropped Crossings	0.021	0.000	0.021	0.000	
District Town Centre's Public Realm Improvements	4.000	1.093	2.745	(1.255)	Carry forward
Replacement of obsolete traffic signal control equipment	0.200	0.015	0.200	0.000	
Hatherton Road Car Park	0.264	0.009	0.050	(0.214)	Carry forward
Highways maintenance	2.845	2.261	2.845	0.000	
Migration of Urban Traffic control analogue comm network	0.185	0.021	0.185	0.000	
Pot Hole Funding	0.262	0.048	0.262	0.000	
Promotion of Community Health & Safety	0.120	0.000	0.120	0.000	
Replacement of development management, building control & land charge ICT system	0.030	0.030	0.030	0.000	
Replacement of obsolete analogue weather stations	0.040	0.000	0.030	(0.010)	Under-spend
Replacement of speed enforcement camera	0.175	0.000	0.175	0.000	
Regeneration & Development					
Challenge Block	0.033	0.000	0.015	(0.018)	Carry forward
Darlaston SDA	0.169	0.030	0.085	(0.084)	Under-spend
Holmans Strategic Land Acquisition (prudential)	0.516	0.516	0.516	0.000	
New Homes Bonus	0.204	0.000	0.204	0.000	
Primark & Co-op development	0.002	0.000	0.002	0.000	
Regenerating Walsall	0.234	0.000	0.011	(0.223)	Carry forward
Rushall Olympic Football Club	0.006	0.000	0.000	(0.006)	Carry forward
Saddlers Shopping Centre (prudential)	0.560	0.091	0.150	(0.410)	Carry forward
Shop maintenance	0.007	0.000	0.007	0.000	
Town and District Centres Public Realm	1.100	0.003	0.229	(0.871)	Carry forward

Service and scheme	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward	Type of Variance
	£m	£m	£m	£m	£m
Walsall Market	1.877	0.009	0.012	(1.865)	Carry forward
Smarter Workplaces					
ICT	0.307	0.000	0.000	(0.307)	Under-spend
Property (prudential)	0.478	0.000	0.000	(0.478)	Under-spend
Total Council Funded	19.760	8.310	13.644	(6.114)	
<u>Externally Funded</u>					
Clean & Green Services					
Allotment Improvement Programme External	0.011	0.011	0.011	0.000	
Broadway West Playing Fields External	0.150	0.000	0.000	(0.150)	Carry Forward
Palfrey Park	0.005	0.006	0.006	0.000	
Reeds, Wood & Water Project	0.032	0.026	0.032	0.000	
Walsall arboretum restoration programme (PRU)	0.147	0.054	0.147	0.000	
Waste infrastructure capital grant	0.227	0.000	0.010	(0.217)	Carry Forward
Willenhall Memorial Park Heritage & Habitats	0.031	0.031	0.031	0.000	
Willenhall Memorial Park - Artwork	0.001	0.001	0.001	0.000	
Leisure, Culture & Operations					
Active Living Bloxwich (Grant)	0.104	0.000	0.104	0.000	
Active Living Oak Park (Grant)	0.053	0.000	0.053	0.000	
Oak Park-Artificial Grass Pitch - External funding	0.300	0.000	0.300	0.000	
Planning, Engineering & Transportation					
Additional Highway Maintenance pothole funding	0.391	0.280	0.391	0.000	
Capital Block DFT Fund	2.366	1.573	1.573	(0.793)	Carry Forward
Development of Highways Asset Management Plan (HAMPS)	0.030	0.013	0.020	(0.010)	Carry Forward
DFT Road/Bridge Maintenance	0.000	0.371	0.371	0.371	Over-spend
LTP including bridge strengthening 2010/11	0.200	0.011	0.200	0.000	
LTP Yorks Bridge	0.070	0.088	0.088	0.018	Over-spend
Network Rail Scheme-Level Crossing	0.122	0.022	0.122	0.000	
Pedestrian Crossing on Northgate	0.011	0.000	0.011	0.000	

Service and scheme	Annual Budget	Actual to Date	Year End Forecast	Variance before carry forward	Type of Variance
	£m	£m	£m	£m	£m
S106 Leighswood Road Pedestrian Crossing	0.038	0.007	0.038	0.000	
Programme Management					
Growth Deal	22.775	1.694	22.775	0.000	
M6 Junction 10 Highway Improvements	1.312	0.225	1.312	0.000	
Regeneration & Development					
A461 National Productivity Investment Fund (NPIF)	0.000	(0.022)	(0.000)	0.000	
Goscote Open Space	0.032	0.032	0.032	0.000	
M6 Junction 10 Highway Improvement	0.142	0.000	0.142	0.000	
National Productivity Investment Fund	1.689	0.207	1.689	0.000	
Regenerating Walsall - Private Contributions	0.009	0.000	0.009	0.000	
West Midlands Strategic Transport Plan (STP) 'Movement for Growth'	1.786	0.426	1.515	(0.271)	Carry Forward
Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	0.001	0.001	0.001	0.000	
Total Externally Funded	32.035	5.055	30.984	(1.051)	
	51.791	13.365	44.625	(7.166)	

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

Appendix 1 - Analysis of 2018/19 Earmarked Reserves

Service / Reserve description	Total approved reserve £m	Forecast use of reserve £m	Transfer to reserve £m	Net use of reserve £m
Clean & Green				
17/18 Unauthorised Encampments	0.021	(0.021)	0.000	(0.021)
18/19 unauthorised encampments - physical works	0.100	(0.100)	0.000	(0.100)
Arboretum Drainage System (RCCO)	0.065	(0.065)	0.000	(0.065)
Completion of Greenspaces Strategy	0.002	(0.002)	0.000	(0.002)
Consultancy work related to waste collections	0.040	(0.040)	0.000	(0.040)
Contribution to the Web designer tasked with transforming the Clean and Green web pages	0.006	(0.006)	0.000	(0.006)
IFRS - Natural England	0.044	0.000	0.000	0.000
IFRS - Section 106	0.738	0.000	0.057	0.057
Parks & Green Spaces Redundancy	0.047	(0.047)	0.000	(0.047)
Resource in the contact centre - Continuation of the campaign to reduce fly tipping	0.027	(0.027)	0.000	(0.027)
Street Scene Redundancy	0.001	(0.001)	0.000	(0.001)
Walsall Council contribution to the UNESCO officer costs	0.016	(0.000)	0.000	(0.000)
Economy & Environment Management				
IFRS - Transition funding	0.013	0.000	0.000	0.000
Leisure, Culture & Operations				
Building Control Fee (ring fenced)	0.107	(0.003)	0.000	(0.003)
Donations	0.009	(0.001)	0.000	(0.001)
IFRS - Artist Development	0.012	(0.005)	0.000	(0.005)
IFRS - Arts Council England - dilapidations	0.005	0.000	0.000	0.000
IFRS - Arts Council England 11/12	0.045	(0.045)	0.000	(0.045)
IFRS - Arts Council England 12/13 - Regular Grant	0.112	(0.019)	0.000	(0.019)
IFRS - Bookstart	0.001	0.000	0.000	0.000
IFRS - Doorstep Sports Club	0.003	(0.003)	0.000	(0.003)
IFRS - Environmental Levy	0.530	0.000	0.000	0.000
IFRS - Exclusive Burial Rights Levy	0.069	(0.048)	0.022	(0.026)
IFRS - HLF project - Rediscover Bloxwich	0.009	(0.009)	0.000	(0.009)
IFRS - Marketing Promotion Sport England 11/12 & 12/13	0.005	(0.005)	0.000	(0.005)
IFRS - NAG - ABC (Audience Black Country) Membership -	0.003	0.000	0.000	0.000
IFRS - NAG - Science Project	0.001	0.000	0.000	0.000
IFRS - Paul Hamlyn Foundation/Right to Read	0.004	0.000	0.000	0.000
IFRS - Walk On	0.007	0.000	0.000	0.000

Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
	£m	£m	£m	£m
IFRS - Way Forward Project	0.004	0.000	0.000	0.000
Inspired Generations (CSAF)	0.004	(0.001)	0.000	(0.001)
Library Service redesign	0.048	(0.048)	0.000	(0.048)
NAG External Consultancy	0.006	(0.006)	0.000	(0.006)
Windfall Income	0.000	0.000	0.001	0.001
Planning, Engineering & Transportation				
Bus Lane enforcement	0.139	0.000	0.000	0.000
Commuted sum Shannon's Mill	0.036	(0.006)	0.000	(0.006)
Economic Growth Programme	0.074	(0.037)	0.000	(0.037)
IFRS - DFT Bikeability grant 2008/09	0.016	(0.016)	0.000	(0.016)
IFRS - DFT Bikeability grant 2009/10	0.008	(0.008)	0.000	(0.008)
IFRS - DFT Bikeability grant 2010/11	0.029	(0.029)	0.000	(0.029)
IFRS - DFT Bikeability grant 2011/12	0.036	(0.036)	0.000	(0.036)
IFRS - DFT Bikeability grant 2012/13	0.019	(0.019)	0.000	(0.019)
IFRS - DFT Bikeability grant 2013/14	0.016	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2014/15	0.038	(0.038)	0.000	(0.038)
IFRS - DFT Bikeability grant 2015/16	0.037	(0.037)	0.000	(0.037)
IFRS - DFT Bikeability grant 2016/17	0.022	0.000	0.000	0.000
IFRS - DFT Bikeability grant 2017/18	0.032	(0.007)	0.000	(0.007)
IFRS - DFT Road safety grant	0.039	(0.039)	0.000	(0.039)
IFRS - Driver Improvement (Dudley Council)	0.015	0.000	0.000	0.000
IFRS – Financial appraisals	0.026	0.000	0.010	0.010
IFRS - HPDG - MB salary cost	0.044	(0.013)	0.000	(0.013)
IFRS - Local Road Safety 2015/16	0.035	(0.010)	0.000	(0.010)
IFRS - Local Road Safety 2016/17	0.012	0.000	0.000	0.000
IFRS - Local Road Safety 2017/18	0.015	0.000	0.000	0.000
IFRS - Midlands Air Quality funds (Birmingham County Council) 2012/13	0.030	0.000	0.000	0.000
IFRS - Midlands Air Quality funds (Birmingham County Council) 2013/14	0.001	0.000	0.000	0.000
IFRS - Post 16 Travel 2013/14 (Children's Services)	0.022	0.000	0.000	0.000
IFRS - S106 planning	0.417	0.000	0.000	0.000
IFRS - School Strategy 2012/13 (Children's Services)	0.016	0.000	0.000	0.000
IFRS - School Strategy 2015/16 (Children's Services)	0.025	0.000	0.000	0.000
IFRS - Sustainable Drainage Grant	0.034	0.000	0.000	0.000
IFRS - Walsall PCT - Active school travel project (A stars)	0.030	(0.016)	0.000	(0.016)
Mediation Reserve - legal fees Waverley Mast	0.068	0.000	0.000	0.000

Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
	£m	£m	£m	£m
On-street parking income	0.069	(0.030)	0.000	(0.030)
Street lighting PFI	20.341	0.000	0.371	0.371
Programme Management				
Economic Growth Programme - Programme Management	0.648	(0.244)	0.000	(0.244)
ERDF TA Partner contributions	0.070	0.000	0.039	0.039
ESF TA Partner contributions 2017/18	0.006	0.000	0.018	0.018
Fund one match funding ERDF technical assistance project	0.030	0.000	0.000	0.000
IBC Partner Contributions	0.024	(0.001)	0.000	(0.001)
IFRS - City Deal - Welfare Pilot	0.693	(0.693)	0.000	(0.693)
IFRS - Growth Hub	0.221	(0.214)	0.000	(0.214)
IFRS – LEP - Core funding	0.157	(0.157)	0.000	(0.157)
IFRS - LEP Energy Strategy	0.120	(0.120)	0.000	(0.120)
IFRS – LEP - Hestletine funding	0.121	(0.121)	0.000	(0.121)
IFRS – LEP - Hestletine funding (Walsall element)	0.003	0.000	0.001	0.001
LGF - pipeline was BC Transport Director	0.012	(0.012)	0.000	(0.012)
LGF Interest	0.717	0.000	0.020	0.020
Walsall Works	0.219	(0.139)	0.000	(0.139)
YEI overheads	0.158	0.000	0.082	0.082
Regeneration & Development				
Asset Management System	0.035	(0.010)	0.000	(0.010)
Black Country core strategy	0.144	(0.144)	0.000	(0.144)
Black Country core strategy - SAD/AAP	0.074	(0.006)	0.000	(0.006)
Economic Growth Programme – Asset Management	0.085	0.000	0.045	0.045
Economic Growth Programme – Development and Delivery	0.349	(0.077)	0.121	0.045
IFRS - Contribution for participation in Pilot Scheme	0.009	0.000	0.000	0.000
IFRS – Development and Delivery grant S106	0.061	0.000	0.000	0.000
LGF - released revenue	0.519	0.000	0.000	0.000
New Homes Bonus (Housing loans etc)	0.032	(0.030)	0.000	(0.030)
Phoenix 10	0.456	(0.123)	0.000	(0.123)
Pleck Boxing Club	0.040	(0.024)	0.000	(0.024)
Uncapitalised expenditure	0.250	(0.088)	0.000	(0.088)
Walsall Masterplan	0.250	(0.149)	0.000	(0.149)
Walsall Works -R&D	0.003	(0.003)	0.000	(0.003)
Regulatory Services				
IFRS – BCTCA – Tobacco Control	0.012	0.000	0.000	0.000
IFRS – No Cold Calling – Trading Standards	0.002	0.000	0.000	0.000

Service / Reserve description	Total approved reserve	Forecast use of reserve	Transfer to reserve	Net use of reserve
	£m	£m	£m	£m
IFRS – Sniffer Dog Grant	0.001	(0.000)	0.000	(0.000)
IFRS – Tobacco funding	0.015	0.000	0.000	0.000
Trading Standards - Hand held devices	0.031	(0.015)	0.000	(0.015)
Taxi Driver Training	0.041	(0.041)	0.000	(0.041)
Unauthorised Encampment officers	0.147	0.000	0.000	0.000
Smarter Workplaces				
Smarter Workplaces	0.264	0.000	0.000	0.000
Total	29.860	(3.252)	0.787	(2.465)

Appendix 2 – Explanation of 2018/19 forecast Revenue Variations by Service

Service	Reason / explanation for variance	Variance
		£m
Clean & Green Services	Underspends on the HWRC performance fee (£0.210m), W2R settlement figure (£0.250m), general underspends in waste disposal (£0.252m) and over accrual of agency costs (£0.058m). These are partially offset by overspends on the domestic waste collection service £0.320m, and the casepak recycling contract as a result of the £5 per tonne increase in gate fee and increased contamination rates £60k. The difference relates to other variances <£0.050m)	(0.330)
Economy & Environment Management	£0.100m unachieved 18/19 Operational efficiencies across service including management savings. £0.010m balance of unachieved 16-17 savings.	0.125
Leisure, Culture & Operations	Underspends on: overachievement of net Active Living income of (£0.047m) (with gross income overachieving budget by £0.395m); libraries (£0.097m) mainly from staff costs and supplies; Leisure Management (£0.040m) from staff costs. These were partially offset by overspends in Bereavement Services £0.105m mainly due to supplies and services, mainly legal, and Sports Development £0.039m related mainly to the Outdoor Adventure Centre. The difference relates to other variances <£0.050m).	(0.028)
Planning, Engineering & Transportation	Overspends on reactive maintenance £0.060m and depot costs £0.150m, plus Planning income shortfall £0.060m offset by salary underspends in Pollution Control (£0.030m) and MPMI (£0.038m).	0.201
Programme Management	Use of (£0.050m) EGP reserve to support Staff Costs and stationery underspend (£0.008m) less £0.033m staff overspend within Directorate Support and	(0.025)
Regeneration & Development	Unachieved asset management saving £0.050m 2017/18 and £0.350m 2018/19, underspent on shops and commercial premises (£0.091m) mainly overachievement of income and use of (£0.050m) EGP to support staff costs	0.263
Regulatory Services	Underspends on Community Protection (£0.008m) mainly income shortfall offset by salary underspend; Trading Standards (£0.004m) mainly supplies and surplus income; and Environment Health (£0.058m) mainly from salaries (£0.018m), kennelling (£0.013m), and surplus income (£0.024m). Overspend on Unauthorised Encampment £0.011m.	(0.058)
Smarter Workplaces	No significant variances	0.00
Total		0.148

Appendix 3 - Risks

Service Area	Potential Risks	Highest Cost	Total Estimated Exposure
		£m	£m
	Low Risks (RAG Rating – GREEN)		
Clean and Green Services	Increased contamination of co mingled waste and fluctuating gate fees from new recycling disposal contract	0.025	0.005
Clean and Green Services	Non achievement of the vacancy management target	0.150	0.030
	Total Low Risks (RAG – GREEN)	0.175	0.035
	Medium Risks (RAG Rating – AMBER)		
Clean and Green Services	C&G Retained housing land - maintenance and repair costs	0.100	0.040
Clean and Green Services	Garden waste collection service - potential unacheived saving	0.090	0.036
Clean and Green Services	Clinic Waste Contract price and usage increase	0.010	0.004
Clean and Green Services	Increased fuel costs resulting in a budget pressure in year	0.040	0.016
Clean and Green Services	Increased in waste arisen or non-diversion of waste	0.100	0.040
Leisure, Culture & Operations	Active Living Centres income forecast	0.060	0.024
Leisure, Culture & Operations	New Art Gallery year end accrual 2016/17	(0.050)	(0.020)
Planning, Engineering & Transportation	Planning – Shortfall of Land Charges income	0.015	0.006
Planning, Engineering & Transportation	Winter Maintenance costs	0.050	0.020
Planning, Engineering & Transportation	Traffic regulation orders	0.035	0.014
Planning, Engineering & Transportation	Highways Maintenance - Monthly Depot Charge	0.080	0.032
	Total Medium Risks (RAG - AMBER)	0.530	0.212
	High Risks (RAG Rating – RED)		
Service Area	Potential Risks	Highest Cost	Total Estimated Exposure
		£m	£m
Clean and Green Services	Contaminated allotment land	0.300	0.180
Planning, Engineering & Transportation	Highways Maintenance – Reactive Maintenance	0.200	0.120
Planning, Engineering & Transportation	Highways Maintenance – Gully Cleansing	0.100	0.060
Planning, Engineering & Transportation	Shortfall of Planning Applications income	0.050	0.020
	Total High Risks (RAG – RED)	0.650	0.380
	Total	1.355	0.627

Appendix 4 – Acronyms and Abbreviations

Acronym	Description
AAP	Area Action Plan
BC	Black Country
BCTCA	Black Country Tobacco Control Alliance
BMS	Building Management System
CSAF	Community Sport Activation Fund
DEFRA	Department for Environment Food & Rural Affairs
DFT	Department for Transport
EAT	Engineers Assistants Time
ERDF	European Regional Development Fund
HAMPS	Highways Asset Management Plan
HPDG	Housing Planning Delivery Grant
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standard
LEP	Local Enterprise Partnership
LGF	Local Growth Fund
LTP	Local Transport Plan
MPMI	Major Projects and Minor Improvements
NAG	New Art Gallery
NPIF	National Productivity Investment Fund
PCT	Primary Care Trust
PFI	Private Finance Initiative
PRU	Prudential
PWLB	Public Works Loan Board
RCCO	Revenue Contribution to Capital Outlay
S106	Section 106
SAD	Site Allocation Document
SDA	Strategic Development Area
STP	Strategic Transport Plan
TA	Technical Assistance
TCTP	Town Centre Transport Planning
UNESCO	United Nations Educational, Scientific and Cultural Organisation
YEI	Youth Employment Initiative