

**COMMUNITY SERVICES & ENVIRONMENT
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No. 7**

DATE: 19 NOVEMBER 2013

QUARTER 2 FINANCIAL MONITORING POSITION FOR 2013/14

Ward(s) All

Portfolio:

Councillor Z Ali – Public Protection
Councillor A Andrew – Regeneration and Transport
Councillor A Harris – Leisure & Culture
Councillor I Shires – Community Engagement and Voluntary Sector
Councillor Arif - Environment

Summary of report

This report summarises the predicted revenue and capital position for 2013/14, based on the performance for quarter 2 (1 July to 30 September 2013), for services within the remit of the Community Services & Environment Scrutiny and Performance Panel.

Recommendation

To note the 2013/14 forecasted year end financial position for services under the remit of the Community Services & Environment Scrutiny and Performance Panel is net revenue overspend of **£397k**, after the use of approved reserves and carry forwards. The capital forecast is for an in year variance of **£6,496k** which mostly will be requested to be carried forward into 2014/15.

Background papers

Various financial working papers.
2013/14 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the forecasted financial position for 2013/14 for services within the remit of this panel.

Signed:



Chief Finance Officer: James T Walsh
Date: 31 October 2013



Executive Director: Jamie Morris
Date: 7 November 2013

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 2013/14

- 1.1 The forecast revenue outturn for 2013/14 for the services under the remit of the Community Services & Environment Scrutiny and Performance Panel (based on the position as at the end of September 2013) is an overspend against budget of **£397k** (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 (these are being used in line with the specific approvals granted by cabinet) and approved carry forwards from previous years totalling **£1,943k** and a year end transfer to reserves of **£2,011k**.
- 1.4 **Table 1** shows the forecast outturn for each service, with **Appendix 1** giving detailed reasons for the forecast overspend. The main variance at this present time is due to underachievement of car parking income.
- 1.5 Within the services associated with the panel there are a number of potential risks totalling **£1,132k**. At this stage the risks are not certainties and as such are not included in the monitoring as under or overspend. 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 2**.
- 1.6 Included within the budget are approved 2013/14 new savings, as approved by Cabinet on 21 February, totalling £4.1m. A full breakdown of these can be found in the 2013/14 Corporate 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 2013-14

Service Area	Annual Budget £	Profiled Budget £	Year To Date £	Variance £	Year End Forecast £	Year End Variance £	Use of reserves £	Variance after Reserves £
Clean and Green Services	21,238,848	10,800,684	11,397,235	596,551	21,511,319	272,471	-272,079	392
Communities & Partnership	2,234,952	1,140,002	1,286,113	146,111	3,162,285	927,333	-837,117	90,216
Engineering & Transportation	11,543,940	5,742,766	5,182,214	-560,552	10,643,517	-900,423	1,262,105	361,682
Leisure & Community Health	1,377,374	1,002,662	948,103	-54,559	1,318,739	-58,635	-40,281	-98,916
Libraries Heritage & Arts	6,479,182	3,198,348	2,995,662	-202,686	6,538,251	59,069	-45,397	13,672
Regulatory Services	2,209,589	1,081,208	1,002,085	-79,123	2,301,544	91,955	-61,912	30,043
WACC & WLLA	199,797	99,852	179,460	79,608	137,353	-62,444	62,444	0
Strategic Transportation	-11,536	-11,363	25,354	36,717	-11,536	0	0	0
Total	45,272,146	23,054,159	23,016,226	-37,933	45,601,473	329,327	67,763	397,090

2 Forecast Capital Outturn 2013/14

- 2.1 The forecast capital outturn for 2013/14 for the schemes under the remit of this panel (as at the end of September 2013) is a predicted variance (underspend) against budget of **£6,496k**. This relates to costs of these long term projects now due to fall in future financial years so the full variance will be requested to be carried forward into 2014/15 to fund those costs. **Table 2** shows a summary per service with more detailed analysis by scheme at **Appendix 3**.

<u>Table 2 – Summary of Capital Programme - Forecast 2013-14</u>				
Service Area	Annual Budget £	Year To Date £	Year End Forecast £	Variance
Mainstream				
Engineering & Transportation	2,229,504	1,253,491	2,200,732	-28,772
Street Pride	472,897	442,897	472,897	0
Leisure & Culture	2,940,291	265,869	1,326,811	-1,613,481
Communities & Partnerships	4,282	0	4,282	0
Total Mainstream	5,646,974	1,962,257	4,004,722	-1,642,252
Non Mainstream				
Engineering & Transportation	3,850,670	773,165	2,180,388	-1,670,282
Street Pride	400,523	44,898	375,602	-24,921
Leisure & Culture	4,069,863	168,988	911,395	-3,158,468
Strategic Transportation	1,431,068	555,568	1,431,068	0
Total Non Mainstream	9,752,124	1,542,618	4,898,452	-4,853,672
Total Capital	15,399,098	3,504,875	8,903,174	-6,495,924

Appendix One – Main Reasons for Revenue Variances 2013/14

Service Area	Detail	£
Clean and Green		
	N/A	392
Engineering & Transportation		
Engineering & Transportation General	Small variance in employee costs including extra pension contributions	21,953
Traffic Management	Under achievement of car parking income	365,000
	Other small variances	(25,271)
Leisure and community health		
Sports centres	Surplus in income	(43,000)
Bereavement Services	Underspends on supplies and employee costs	(30,000)
Catering	Shortfall in income on town hall restaurant and bistro offset by other income	(26,000)
	Other small variances	84
Libraries, Heritage & Arts		
Libraries	Overspends on premises and supplies costs partly offset by vacant post savings	15,000
	Other small variances	(1,328)
Regulatory Services		
Environmental Health	Legal costs	35,000
	Other small variances	(4,957)
Communities		
Community safety	Non achievement of £100k Anti Social Behaviour saving	100,000
	Other small variances	(9,784)
		397,090

Appendix Two – Potential Risks 2013/14

POTENTIAL RISK	ASSESSMENT OF RISK	ASSESSMENT OF COST £'000
PUBLIC HEALTH & PROTECTION PORTFOLIO		
Regulatory Services - Unknown court costs arising from prosecutions	Low	115
Regulatory Services - Unknown court costs arising from licensing act appeals	Low	150
Regulatory Services - Unknown court costs arising from taxi/private hire appeals	Low	20
Regulatory Services - Incursion of additional unauthorised encampments	Medium	50
Regulatory Services - Increase in the cost of kennelling stray dogs.	Medium	24
Regulatory Services - Increase in the number of stray dogs due to the economic down turn	Low	25
Regulatory Services - underachievement of pest control income due to a cold summer	High	15
Regulatory Services - Burial costs where there is no known family	High	20
Regulatory Services - Incident(s) of infectious disease either in animal health or human e.g. e-coli, legionnaires	High	75
Regulatory Services - Unknown court costs relating to employment tribunal	High	150
TOTAL PUBLIC PROTECTION PORTFOLIO		644
LEISURE AND CULTURE PORTFOLIO		
Creative development team - reduction in the number of external commissions resulting in lower income	Low	90
Bereavement services - impact of pandemic flu	Medium	30
Clean & Green - Greenspaces - possible action against horses on Council land at £1,500 each	Low	20
TOTAL LEISURE AND CULTURE PORTFOLIO		140

POTENTIAL RISK	ASSESSMENT OF RISK	ASSESSMENT OF COST
TRANSPORT PORTFOLIO		
Engineering - Impact of a severe winter, additional gritting required	Low	150
Engineering - Reduction in usage of car parks or loss of car parks resulting in less income & Xmas implications. Growth in 2013/14 £250k, under recovery 12/13 was £500k	High	50
Engineering - Legal & technical support costs in dealing with former Willenhall Town Gas Works	Medium	100
Engineering - Implications of the Markinson decision relating to charges for information - it may be necessary to repay charges with interest that have been claimed from 2011.	Medium	28
TOTAL TRANSPORT PORTFOLIO		328
ENVIRONMENT PORTFOLIO		
Clean & Green - impact of Bloxwich toilets remaining open	Low	20
TOTAL ENVIRONMENT PORTFOLIO		20
TOTAL		1132

Appendix Three – Capital Programme 2013/14

Scheme	Annual Budget	Year To Date	Year End Forecast	Year End Variance	Proposed Carry Forward	Estimated Underspend
	£	£	£	£	£	£
Mainstream						
Environment						
Depot relocation	0	-30,000	0	0	0	0
Vehicles purchased	472,897	472,897	472,897	0	0	0
Engineering and Transportation						
Walsall TCTP ring road acquisition	186,762	23,360	186,762	0	0	0
Beacon Road land slip - contingency	13,855	13,958	15,488	1,633	0	1,633
Highways maintenance	1,450,000	1,067,076	1,450,000	0	0	0
LTP including bridge strengthening 2010/11	54,468	54,365	54,365	-103	0	-103
Retained Housing Land	125,341	35,798	125,341	0	0	0
Lighting to save initiatives	12,257	11,956	11,956	-301	0	-301
Footpath Highfield Road, Pelsall	15,607	0	15,607	0	0	0
Hatherton Road multi storey car park	11,214	0	11,214	0	0	0
New Invention car park	110,000	46,979	80,000	-30,000	0	-30,000
Verge Parking	250,000	0	250,000	0	0	0
Public Protection						
Improving security in local neighbourhoods	4,282	0	4,282	0	0	0
Leisure and Culture						
Allotment and community garden strategy - Borneo Street	50,000	0	0	-50,000	-50,000	0
Allotments	71,148	8,509	58,210	-12,938	-12,938	0
Arboretum Play Area	175,000	16,795	175,000	0	0	0
George Rose Park	72,142	15,275	71,467	-675	-675	0

Scheme	Annual Budget	Year To Date	Year End Forecast	Year End Variance	Proposed Carry Forward	Estimated Underspend
Greenspace improvement plan	260,136	39,822	260,136	0	0	0
Restoration and Renovation of Broadway West Playing Fields	159,461	62,557	89,461	-70,000	0	-70,000
Walsall Arboretum Restoration Programme - Illuminated Park proposals	270,000	0	162,000	-108,000	-108,000	0
Willenhall Memorial Park	180,000	0	180,000	0	0	0
Headstone safety in Cemeteries	80,000	13,493	80,000	0	0	0
Mercury abatement	17,330	4,044	17,330	0	0	0
Roadway extensions in Streetly cemetery	150,000	97,167	150,000	0	0	0
Willenhall EACT Academy Swimming Pool Changing Provision	75,000	0	75,000	0	0	0
Bentley Community Facility	1,372,500	980	980	-1,371,520	-1,371,520	0
Introduction of Radio Frequency Identification (RFID) in libraries	7,574	7,227	7,227	-348	0	-348
Total Mainstream	5,646,974	1,992,257	4,004,722	-1,642,252	-1,543,133	-99,119
Non Mainstream						
Environment						
Waste infrastructure capital grant	400,523	44,898	375,602	-24,921	-24,921	0
Transport						
Development of Highways Asset Management Plan (HAMPS)	187,705	7,034	160,000	-27,705	-27,705	0
Local Highways Maintenance Funding	352,000	0	352,000	0	0	0
LTP Highway Maintenance - Bridges	1,828,668	38,620	186,090	-1,642,578	-1,641,048	-1,530
Low emission Strategy	10,933	3,027	10,933	0	0	0
Highways Improvement works Willenhall	22,264	22,264	22,264	0	0	0
Land North of Leamore Lane	51,100	31,000	51,100	0	0	0
LTP Highway Maintenance	1,398,000	671,219	1,398,000	0	0	0
Strategic Transportation	1,431,068	555,568	1,431,068	0	0	0
Leisure and Culture						

Scheme	Annual Budget	Year To Date	Year End Forecast	Year End Variance	Proposed Carry Forward	Estimated Underspend
Kings Hill park improvement - phase 2	66,424	45,799	66,424	0	0	0
Palfrey Park	13,015	0	13,015	0	0	0
Recreating the Croft	54,111	55,434	55,434	1,323	0	1,323
Reedswood Park	60,519	5,548	60,519	-1	0	0
Walsall arboretum lido	9,771	1,000	9,771	0	0	0
Pelsall library, Childrens centre and health centre	187,037	37,382	187,037	0	0	0
Refurbishment & upgrade of college facilities & premises	19,196	19,196	19,196	0	0	0
Walsall arboretum restoration programme (PRU)	3,659,790	4,630	500,000	-3,159,790	-3,159,790	0
Total Non Mainstream	9,752,124	1,542,618	4,898,452	-4,853,672	-4,853,464	-207
Overall total	15,399,098	3,534,875	8,903,174	-6,495,924	-6,396,597	-99,326