

DATE: 3 July 2014

DRAFT REVENUE AND CAPITAL OUTTURN 2013/14 (PRE-AUDIT)

Ward(s) All

Portfolio:

Councillor Andrew – Regeneration

Summary of report

This report summarises the draft revenue and capital outturn position for the year ended 2013/14, subject to external audit, for services within the remit of the Regeneration Scrutiny and Performance Panel.

Recommendation

To note that the draft 2013/14 year end financial position for services under the remit of the Regeneration Scrutiny and Performance Panel is as follows:

- A revenue over-spend of **£0.296m** against budget.
- A capital variance of **£17.953m**, of which the majority (£17.838m) is slippage into the next financial year with the remaining £0.115m being true under-spend.

These revenue and capital variances are net of the use of earmarked reserves. There were no carry forwards requests of revenue spend into the next financial year.

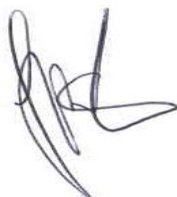
Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout the year
2013/14 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2013/14.

Signed:



Chief Finance Officer: James T Walsh **Executive Director:** Simon Neilson

Date:

Date:

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.

Contact Officer:

Kelly Valente, Lead Accountant

☎ 01922 650826, ✉ valentek@walsall.gov.uk

1 Draft Revenue Outturn 2013/14

1.1 The draft revenue outturn for 2013/14 for the services under the remit of the Regeneration Scrutiny and Performance Panel is an over-spend against budget of **£0.296m** (net of the use of earmarked reserves). This position is subject to external audit which will take place during July 2014. Table 1 provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table 1 - Draft Revenue Outturn 2013/14

Service	Annual Budget £	Year End Actual £	Year End Variance £	Use of Reserves £	Variance Net of Reserves (Under)/ Overspend £
Property Services	13,362,616	14,326,469	963,853	(457,875)	505,978
Planning & Building Control	1,198,760	1,968,343	769,583	(828,290)	(58,707)
Strategic Regeneration	627,486	(1,084,983)	(1,712,469)	1,712,469	0
Development & Delivery	1,781,329	2,209,738	428,409	(571,833)	(143,424)
Regeneration Management	713,179	705,720	(7,459)	0	(7,459)
Smarter workplaces	576,496	601,772	25,276	(25,276)	0
TOTAL REGENERATION	18,259,866	18,727,059	467,193	(170,805)	296,389

1.2 The budget for 2013/14 included approved savings of **£1.489m**, of which £1.240m (83.3%) has been achieved. The directorate are currently reviewing options for delivering the remaining savings in full in future years. A full breakdown of investment and savings can be found in the 2013/14 budget book.

1.3 The outturn includes net use of and transfers to reserves of £0.196m, excluding windfalls of £0.026m, where approval was given by Cabinet for additional funds for specific services, which are summarised in **Table 2** overleaf.

Table 2 – Net transfers To / From reserves

Service	Detail	£
Development & Delivery - Markets	Redundancy Costs	(38,767)
Development & Delivery - Markets	Markets	(40,000)
Development & Delivery - NHB	Cost incurred on New Homes Bonus Project	(9,605)
Development & Delivery	LAGBI Town Centre Management	(20,966)
Development & Delivery	High St Innovation	(56,282)
Development & Delivery	Enterprise Zone	(85,703)
Development & Delivery	S106 costs	(7,000)
Development & Delivery	New Habitats Burdens Grant	(4,855)
Development & Delivery	Phoenix 10	(261,029)
Development & Delivery	Uncapitalised Spend	(77,146)
Strategic Regeneration	LAGBI	(25,124)
Strategic Regeneration	Empty Shops Fund	(31,901)
Strategic Regeneration	Walsall Works	(544,562)
Strategic Regeneration	ERDF Technical Assistance Walsall contribution	(11,942)
Planning & Building Control	Building Control fees	(27,364)
Planning & Building Control	Section 106	(717,099)
Planning & Building Control	IFRS - Severn Trent	(134)
Planning & Building Control	HPDG officer salary	(4,274)
Planning & Building Control	Mediation reserve - Waverley mast legal fees	(7,463)
Planning & Building Control	Pension/Redundancy reserve	(83,438)
Property - Building Services	Delves TMO property works	(32,101)
Property - Building Services	Staff costs to support Smarter Workplaces	(141,557)
Property - Building Services	Pay & Grading	(55,000)
Property - various	Pension Enhancement	(160,317)
Property - various	Redundancy Costs	(56,890)
Property - Facilities Management	Fire Risk Assessment works	(3,968)
Property - Asset Management	Pleck Boxing Club	(16,102)
Property - Asset Management	Asset Management System	(17,490)
Smarter Workplaces	Smarter Workplaces	(25,276)
Total Amount To Be Transferred From Earmarked Reserves		(2,563,355)
Strategic Regeneration	IFRS - Black Country Invest team	38,088
Strategic Regeneration	IFRS - LEP Hestletine funding	244,000
Strategic Regeneration	IFRS - LEP Core funding	248,681
Strategic Regeneration	IFRS - City Deal Welfare pilot	1,750,000
Strategic Regeneration	Technical Assistance ERDF Partnership contributions	13,328
Planning & Building Control	IFRS - S106 Planning	4,575
Planning & Building Control	IFRS - Planned Partnership inspections	4,151
Planning & Building Control	IFRS - Severn Trent	2,756
Development & Delivery	New Homes Bonus	2,188
Development & Delivery	IFRS Dev & Del Grant S106	5,281
Development & Delivery	BCB Property Investment Programme ('BCBPIP')	53,952

Total Amount To Be Transferred To Earmarked Reserves	2,367,000
Net Amount To Be Transferred From Earmarked Reserves	(196,355)

1.4 The main reasons for the overspend position for services within the remit of the Panel are as follows:

- Property savings as noted in 1.2 above not being achieved (£249k)
- Shortfall in Building Services fee income due to delays in Education Capital Programme (£184k)
- Under-recovery of Design and Project Management fee income (£142k net of cost under-spend)
- These were offset by under-spends in other areas, with full analysis of the variances shown in **Appendix 1**.

2 Draft Capital Outturn 2013/14

2.1 The capital outturn for 2013/14 for the schemes under the remit of this panel is a variance against budget of **£17.953m**, of which £17.838m has been approved to be carried forward into 2014/15 with the remaining £0.115m being true under-spend. **Table 3** provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Service Area	Annual Budget £	Year End Actual £	Year End Variance £	Carry Forward to 2014/15 £	Variance Net of Carry Forward £
<u>Council Funded Schemes</u>					
Property Services	3,541,054	1,956,789	(1,584,265)	1,547,230	37,035
Planning & Building Control	14,302	14,302	0	0	0
Development & Delivery	3,716,723	2,387,730	(1,328,993)	1,328,993	0
Smarter Workplace	1,406,868	415,169	(991,699)	914,068	77,631
<u>Other (External Resources)</u>					
Development & Delivery	2,918,233	443,065	(2,475,168)	2,475,168	0
Strategic regeneration	17,220,294	5,647,294	(11,573,000)	11,573,000	0
Total Regeneration	28,817,474	10,864,349	(17,953,125)	17,838,459	114,666

APPENDIX 1

Analysis of Reasons for Revenue Variances		
Service	Reason For Variance	£(000)
Development & Delivery – Markets	Under-spends in employee expenses of £112k (vacant manager post, agency and call outs) being partially offset by income shortfall of £95k. Remainder of under-spend was in supplies and services.	(80)
Development & Delivery	Under-spends due to vacant posts and supplies and services.	(63)
Planning & Building Control	<p>Planning Services under spent by (£24k) due to:</p> <ul style="list-style-type: none"> o (£42k) centralised stationery saving through cost control and identifying additional eligible budgets. o (£46k) savings on employee costs in technical development and support budgets. o £54k under-recovery of income o £10k over-spend on supplies & services <p>Planning Policy under-recovery of income by £15k</p> <p>Development Management over-recovered income by £24k with the remainder of the variance being savings on staff expenses and supplies and services</p> <p>Insignificant variances within Building Control and Directorate Support</p>	<p>(24)</p> <p>15</p> <p>(44)</p> <p>(5)</p>
Property Services:		
Building Services	Main reasons for overspend being non-recovery of rechargeable expenses (£134k) and shortfall in fee income of £184k (due to slippage in Education Capital Programme) partially offset by under-spend in corporate energy (£54k).	288
Facilities Management	Overspend on town halls due to repairs and maintenance costs of £115k offset by surplus income of £21k on caretaker's house rentals.	94
Cleaning & Caretaking	Surplus income in caretaking	-141
Asset Management	Key reasons being savings shortfall of £249k partially offset by surplus shop income of £142k.	122
Design Project Management	Income shortfall of £343k partially offset by £102k under spend on employee costs and £99k under-spend on supplies and services	142
Regeneration Management	Release of bad debt provision	(8)
Total Revenue Variance		296

APPENDIX 2

Capital Expenditure by Scheme

	Annual Budget £	Year End Actual £	Year End Variance £	Carry Forward to 2013/14 £	Variance Net of Carry Forward £
Mainstream (Council)					
Funded Schemes					
Property Services					
Asbestos removal	122,907	122,907	0	0	0
Civic centre essential maintenance	566,306	0	(566,306)	566,306	0
Demolition of redundant buildings	204,369	140,522	(63,847)	63,847	0
Depot land swap	3,710	3,710	0	0	0
Fire risk assessment	205,126	205,126	0	0	0
Freer Street structural works	57,579	18,607	(38,972)	16,100	22,872
Green Rivers	96,202	82,039	(14,163)	0	14,163
Improving the customer service when visiting the council house	945,702	77,862	(867,840)	867,840	0
Planned property maintenance	543,827	543,827	0	0	0
Statutory Testing	311,801	311,801	0	0	0
Shop maintenance	185,979	152,842	(33,137)	33,137	0
Kings Hill park outdoor gym	23,750	23,750	0	0	0
Safe Water supplies	273,796	273,796	0	0	0
Sub-total Property Services	3,541,054	1,956,789	(1,584,265)	1,547,230	37,035
Planning & Building control					
Replacement ICT system	14,302	14,302	0	0	0
Development & Delivery					
New Homes bonus	586,622	586,622	0	0	0
Enabling works to office development (Gigaport)	580,611	110,486	(470,126)	470,126	0
Primark & Co-op development	1,831,800	1,425,855	(405,945)	405,945	0
Regenerating Walsall	717,690	264,767	(452,923)	452,923	0
Sub-total Development & Delivery	3,716,723	2,387,730	(1,328,994)	1,328,994	0
Smarter Workplaces					
Smarter Workplaces	1,406,868	415,169	(991,699)	914,068	77,631
Regeneration Mainstream Total	8,678,947	4,773,990	(3,904,958)	3,790,292	114,666

<u>Other Resources (Externally Funded) Schemes</u>					
Development & Delivery					
BCBPIP	1,565,768	7,149	(1,558,619)	1,558,619	0
RCCO BCBPIP	1,021	1,021	0	0	0
Way Finding Project	7,386	7,386	0	0	0
Willenhall Townscape Heritage Initiative	1,144,058	427,509	(716,549)	716,549	0
Black Country Enterprise zone	200,000	0	(200,000)	200,000	0
Sub-total Development & Delivery	2,918,233	443,065	(2,475,168)	2,475,168	0
Strategic Regeneration					
Hillary Primary School	27,029	27,029	0	0	0
Local Sustainable Transport Fund	415,666	415,666	0	0	0
Local Transport plan	1,172,458	1,041,612	(130,846)	130,846	0
Darlaston SDA	15,555,141	4,162,987	(11,392,154)	11,392,154	0
LTP Black Country quick wins 2	50,000	0	(50,000)	50,000	0
Sub-total Strategic Regeneration	17,220,294	5,647,294	(11,573,000)	11,573,000	0
Regeneration Other Total	20,138,527	6,090,359	(14,048,168)	14,048,168	0
Total Regeneration	28,817,474	10,864,349	(17,953,126)	17,838,460	114,666