

**COMMUNITY SERVICES
SCRUTINY AND PERFORMANCE PANEL**

Agenda Item
No. 7

DATE: 28 FEBRUARY 2012

QUARTER 3 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 3 (1 April to 31 December 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 underspend of **£31k**, after the use of approved reserves and carry forwards into 2011/12 and action planning. The capital forecast is for an underspend of **£2.687m** for which **£2.260m** slippage will be requested into 2012/13.

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: 23 January 2012

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.

Contact Officers:

Steph Simcox, Service Accounting & Financial Training Manager.

☎ 01922 652703 ✉ simcox@walsall.gov.uk

Tracey Evans, Lead Accountant, Neighbourhood Services & Resources.

☎ 01922 652430 ✉ evanst@walsall.gov.uk

Pauline Foster, Senior Accountancy Officer, Neighbourhood Services.

☎ 01922 653428 ✉ fosterpauline@walsall.gov.uk

Emma Brown, Senior Accountancy Officer, Neighbourhood Services.

☎ 01922 652149 ✉ brownel@walsall.gov.uk

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 December 2011) is an underspend against budget of **£31k**, 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 £5.628m (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, and **Appendix 1** provides an analysis of the reasons for the forecast material variances.
- 1.5 Within the services associated with the panel there are a number of risks, which have not been included within the above forecast, totalling £163k. 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 2**.
- 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 a removal of a previous investment of £130k, investments and £254k savings. A full breakdown of these can be found in the 2011/12 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

Service Area	Annual Budget £	Profiled Budget £	Year To Date £	Variance £	Year End Forecast £	Year End Variance £	Use of reserves £	Windfall income £	Expected Variance £
Communities & Partnerships Portfolio									
Public Safety									
Resilience (incl Emergency Planning)	533,143	398,622	390,836	(7,786)	536,752	3,609	(5,000)	0	(1,391)
Trading Standards (incl Licensing)	697,713	527,367	388,026	(139,341)	665,352	(32,361)	(418)	0	(32,779)
Environmental Health	1,572,929	1,178,639	1,118,387	(60,252)	1,544,319	(28,610)	(6,610)	0	(35,220)
Community Safety	653,350	493,618	512,786	19,168	720,187	66,837	(77,788)	0	(10,951)
Leisure & Culture									
First Stop Shop	616,817	473,291	485,539	12,248	655,605	38,788	(18,788)	0	20,000
Partnership									
Area Partnerships	634,821	478,751	834,992	356,241	4,221,595	3,586,774	(3,586,774)	0	0
Voluntary & community sector	961,152	720,339	663,502	(56,837)	947,879	(13,273)	(11,727)	0	(25,000)
Preventing violent extremism	121,361	61,245	39,744	(21,501)	196,072	74,711	(74,711)	0	(0)
Leisure, Culture & Environment Portfolio									
Leisure & Community Health									
Sports Centres	847,225	643,627	759,793	116,166	965,667	118,442	(118,442)	0	(0)
Sports Development	300,484	225,994	275,550	49,556	462,250	161,766	(161,766)	0	0
Bryntisilio	8,246	6,174	24,458	18,284	8,246	0	0	0	0
Greenspaces	2,108,566	1,560,649	1,757,472	196,823	2,361,203	252,637	(252,637)	0	0
Bereavement Services	(771,365)	(505,346)	(662,452)	(157,106)	(846,855)	(75,490)	(3,534)	71,666	(7,358)
Marketing & Box office	20,087	17,961	18,670	709	37,448	17,361	(7,361)	0	10,000
Management Services	372,648	280,832	277,417	(3,415)	401,747	29,099	(29,099)	0	(0)
Catering	450,988	425,257	469,829	44,572	434,702	(16,286)	0	0	(16,286)
Street Pride									
Grounds Maintenance	2,830,784	2,127,896	2,048,342	(79,554)	2,830,784	0	0	0	0
Walsall Adult & Community College									
Walsall Adult & Community College	198,667	138,425	(242,679)	(381,104)	651,231	452,564	(452,564)	0	0
WLLA	0	(9)	96,606	96,615	127,976	127,976	(127,976)	0	0
Libraries, Heritage & Arts									
Creative Development Team	207,300	157,371	315,151	157,780	384,249	176,949	(136,949)	0	40,000
Libraries & Heritage	5,102,984	3,804,212	3,748,991	(55,221)	5,215,207	112,223	(85,529)	0	26,694
Illuminations	0	0	0	0	0	0	0	0	0
Arts & events	471,623	353,462	588,546	235,084	833,152	361,529	(359,923)	0	1,606
Art Gallery	719,692	527,060	519,887	(7,173)	830,192	110,500	(110,500)	0	0
Total Community Services	18,659,215	14,095,437	14,429,394	333,957	24,184,960	5,525,745	(5,628,096)	71,666	(30,684)

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 December 2011) is a predicted underspend against budget of **£2.687m**. Of this underspend **£2.260m** will be requested to be slipped into 2012/13. **Table 2** shows a summary per service with more detailed analysis by scheme at **Appendix 3**.

Table 2 – Summary of Capital Programme - Outturn 2011-12						
Service Area	Annual Budget £	Year To Date £	Year End Forecast £	Year End Variance £	Proposed Slippage to 2012/13 £	Estimated Underspend £
Mainstream						
Public Safety	179,900	42,430	179,900	0	0	0
Grounds maintenance	2,679	2,679	2,679	0	0	0
Libraries, Heritage & Arts	676,724	506,262	676,724	0	0	0
Leisure & Community Health	1,832,164	124,324	1,006,484	(825,680)	(398,093)	(427,587)
Total Mainstream	2,691,467	675,695	1,865,788	(825,680)	(398,093)	(427,587)
Non Mainstream						
Public Safety	2341	2341	2341	0	0	0
Libraries, Heritage & Arts	3,850,000	781,371	2,069,531	(1,780,469)	(1,780,469)	0
Leisure & Community Health	3,915,877	1,285,152	3,834,532	(81,345)	(81,345)	0
Partnerships	19,285	2,696	19,285	0	0	0
Total Non Mainstream	7,787,503	2,071,561	5,925,689	(1,861,813)	(1,861,814)	(0)
Total NS Capital	10,478,970	2,747,256	7,791,477	(2,687,493)	(2,259,907)	(427,587)

APPENDIX 1 - MAIN REASONS FOR REVENUE VARIANCES

Service Area	Explanation of Year end Variance	Variance £
Public Safety		
Resilience (excluding Emergency planning)	Lower employee costs	(1,390)
Trading Standards (incl Licensing)	Lower employee costs due mainly to vacant post	(32,779)
Environmental Health	Lower employee costs due mainly to vacant post	(35,220)
Community Safety (incl. PS Business Support)	Higher employee costs and increase in domestic homicide review costs; underspend on commissioning new domestic abuse service	(10,951)
Leisure & Community Health		
Bereavement services	Lower employee costs due to vacant post in Registrars	(7,358)
Venue hire	Lower than anticipated income for Darlaston and Walsall town hall	10,000
Catering	Lower employee costs offsetting shortfall of income mainly due to free school meals	(16,286)
First stop shop	Increase in costs for blue badge stationery and agency costs	20,000
Partnerships		
Mobile 'reach and move' provision	Lower costs due to long term sickness of co-ordinator	(25,000)
Libraries, Heritage & Arts		
Creative Development Team	Under achievement of income target for management fees of £40k.	40,000
Libraries & Heritage	Under achievement of income for local history centre and higher employee costs	26,694
Arts and events	Various small under/over spends	1,606
Forecast variance		(30,684)

Appendix 2 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
COMMUNITIES					
Trading Standards - Spend greater than budget for legal fees - £4k already included in monitoring	0	High	7	High	3
CCTV - removal, clearance costs & return to normality of Saddlers Centre location - mitigating action to be pursued to underspend on other budgets	0	High	?	High	?
School library support service - Book purchase scheme- schools not restocking or closing down school libraries	0	Low	20	High	10
Libraries fees and charges - diminishing sales and rental	0	Low	11	High	11
First Stop Shop Replacement of 23 PCs @ £500 each plus BP288x ticket printer	0	Low	14	Medium	14
Gala baths and gym loss of income due to ceiling collapse	3	Medium	5	Medium	5
Greenspaces - possible action against 80 illegally placed horses on council land @ £1,500 each	0	Medium	120	Medium	120
Total	3		177		163

Service Area	Annual Budget	Year To Date	Year End Forecast	Year End Variance	Proposed Slippage to 2012/13	Estimated Underspend
	£	£	£	£	£	£
Mainstream						
Ride on mower	2,679	2,679	2,679	0	0	0
Improving security in local neighbourhoods	29,900	15,454	29,900	0	0	0
Relocation of CCTV control room	150,000	26,976	150,000	0	0	0
Introduction of Radio Frequency Identification (RFID) in libraries	232,800	59,100	232,800	0	0	0
Library modernisation plan	54,037	57,274	54,037	0	0	0
Pelsall library, childrens centre and health centre	389,887	389,887	389,887	0	0	0
Allotment improvement programme	23,726	0	0	(23,726)	(23,726)	0
George Rose park development	299,180	1,250	24,471	(274,709)	(274,709)	0
Palfrey park - HLF	65,517	37,179	65,517	0	0	0
Sneyd reservoir overflow replacement	0	-455	0	0	0	0
Walsall arboretum lido 2011/12	175,000	0	170,500	(4,500)	(4,500)	0
Walsall arboretum restoration programme	467,938	0	372,780	(95,158)	(95,158)	0
Memorial safety	100,000	40,546	100,000	0	0	0
Streetly crematorium mercury abatement	45,803	45,803	45,803	0	0	0
Demolition of Willenhall leisure centre	205,000	0	0	(205,000)	0	(205,000)
Dilapidations at Bryntisilio	400,000	0	177,413	(222,587)	0	(222,587)
Greenspace improvement plan	50,000	0	50,000	0	0	0
Total Mainstream	2,691,467	675,695	1,865,788	(825,680)	(398,093)	(427,587)
Non Mainstream						
Ride on mower (RCCO)	2,341	2,341	2,341	0	0	0
Pelsall Common Play Area	49,900	36,632	49,900	0	0	0
Pelsall library, childrens centre and health centre	3,850,000	781,371	2,069,531	(1,780,469)	(1,780,469)	0
NOF for PE & Sport - Aldridge Airport	46,172	24,536	46,172	0	0	0
Bloxwich Fountain Restoration Project	1,017	0	1,017	0	0	0
Bradbury park improvements	2,046	2,046	2,046	0	0	0
King George V pathfinder project	674	275	674	0	0	0
Kings Hill park improvement - phase 1	660	660	660	0	0	0
Kings Hill park improvement - phase 2	185,410	83,032	104,065	(81,345)	(81,345)	0
Palfrey Park - HLF	295,197	0	295,197	0	0	0
Play builders programme	19,683	15,340	19,683	0	0	0
Service Area	Annual Budget	Year To Date	Year End Forecast	Year End Variance	Proposed Slippage to 2012/13	Estimated Underspend
	£	£	£	£	£	£
Pleck Park Senior Citizens Bowling Club	17,000	0	17,000	0	0	0
Rushall Parks Footpath Works	24,243	2,399	24,243	0	0	0

