

**COMMUNITY SERVICES
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No. 7**

29 NOVEMBER 2011

QUARTER 2 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 2 (1 April to 30 September 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 overspend of **£46k**, after the use of approved reserves and carry forwards and action planning. The capital forecast is for an underspend of **£829k** for which 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:

A rectangular box containing a handwritten signature in black ink. The signature appears to be 'Jamie Morris'.

Executive Director: Jamie Morris

Date: 17 October 2011

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 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 September 2011) is an overspend against budget of **£46k**, 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 £4.971m (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 £173k. 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 (£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 £	Action Plan £	Expected Variance £
Communities & Partnerships Portfolio									
Public Safety									
Resilience (incl Emergency Planning)	528,957	264,414	242,217	(22,197)	533,957	5,000	(5,000)	0	0
Trading Standards (incl Licensing)	697,615	348,334	366,563	18,229	705,196	7,581	0	0	7,581
Environmental Health	1,563,438	781,554	742,914	(38,640)	1,551,383	(12,055)	0	0	(12,055)
Community Safety	669,069	334,404	319,461	(14,943)	734,132	65,063	(64,263)	0	800
Leisure & Culture									
First Stop Shop	643,857	321,822	317,137	(4,685)	643,857	0	0	0	0
Partnership									
Area Partnerships	638,576	319,206	360,489	41,283	4,190,701	3,552,125	(3,552,125)	0	0
Voluntary & community sector	959,261	479,532	443,175	(36,357)	970,130	10,869	(10,869)	0	0
Preventing violent extremism	122,998	61,494	37,099	(24,395)	269,625	146,627	(146,627)	0	0
Leisure, Culture & Environment Portfolio									
Leisure & Community Health									
Sports Centres	852,873	429,336	421,089	(8,247)	909,873	57,000	(57,000)	0	0
Sports Development	294,667	147,162	143,191	(3,971)	452,888	158,221	(158,221)	0	0
Bryntisilio	8,246	4,116	31,811	27,695	8,246	0	0	0	0
Greenspaces	2,114,408	1,039,195	1,116,933	77,738	2,356,413	242,005	(242,005)	0	0
Bereavement Services	(792,942)	(338,229)	(429,202)	(90,973)	(792,942)	0	0	0	0
Marketing & Box office	27,920	13,950	11,583	(2,367)	27,920	0	0	0	0
Management Services	374,708	187,290	185,011	(2,279)	392,410	17,702	(17,702)	0	0
Catering	321,950	306,795	319,587	12,792	321,950	0	0	0	0
Street Pride									
Grounds Maintenance	2,877,549	1,438,830	1,376,487	(62,343)	2,882,799	5,250	(5,250)	0	0
Walsall Adult & Community College									
Walsall Adult & Community College	155,762	66,750	(113,805)	(180,555)	155,762	0	0	0	0
WLLA	0	(6)	(19,471)	(19,465)	116,155	116,155	(116,155)	0	0
Libraries, Heritage & Arts									
Creative Development Team	211,730	105,726	214,474	108,748	378,456	166,726	(126,726)	0	40,000
Libraries & Heritage	4,916,074	2,457,282	2,493,576	36,294	4,962,579	46,505	(36,505)	0	10,000
Illuminations	0	0	111	111	0	0	0	0	0
Arts & events	468,432	234,150	295,926	61,776	718,432	250,000	(250,000)	0	0
Art Gallery	731,031	359,357	362,754	3,397	913,570	182,539	(182,539)	0	0
Total Community Services	18,386,179	9,362,464	9,239,108	(123,356)	23,403,492	5,017,313	(4,970,987)	0	46,326

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 September 2011) is a predicted underspend against budget of **£829k**. Of this underspend all 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**.

<u>Table 2 – Summary of Capital Programme - Outturn 2011-12</u>				
Service Area	Annual Budget £	Year To Date £	Year End Forecast £	Year End Variance £
Mainstream				
Public Safety	179,900	15,677	179,900	0
Libraries, Heritage & Arts	676,724	344,112	676,724	0
Leisure & Community Health	1,832,164	25,029	1,584,234	(247,930)
Total Mainstream	2,688,788	384,818	2,440,858	(247,930)
Non Mainstream				
Public Safety	0	0	0	0
Libraries, Heritage & Arts	3,850,000	0	3,350,000	(500,000)
Leisure & Community Health	3,915,877	667,357	3,834,532	(81,345)
Partnerships	19,285	0	19,285	0
Total Non Mainstream	7,785,162	667,357	7,203,817	(581,345)
Total Capital	10,473,950	1,052,175	9,644,675	(829,275)

APPENDIX 1 - MAIN REASONS FOR REVENUE VARIANCES

Service Area	Explanation of Year end Variance	Variance £
Public Safety		
Trading Standards (incl Licensing)	Increase in costs of car allowances	7,581
Environmental Health	Decrease in costs of stray dogs and higher than anticipated income from pest control	(12,055)
Community Safety (incl. PS Business Support)	Increase in costs of car allowances	800
Libraries, Heritage & Arts		
Creative Development Team	Under achievement of income target for management fees of £40k.	40,000
Libraries & Heritage	Reviewed forecast of local history centre income which gives an indication of under achievement by £10k	10,000
Forecast variance		46,326

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
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
First Stop Shop increase in agency staff costs due to Blue Badge Project	0	Low	10	Low	10
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		187		173

Appendix 3 - Forecast Capital Outturn 2011/12

Service Area / Scheme	Annual Budget	Year To Date	Year End Forecast	Year End Variance
	£	£	£	£
Council Resources				
Ride on mower	2,679	2,679	2,679	0
Improving security in local neighbourhoods	29,900	15,677	29,900	0
Relocation of CCTV control room	150,000	0	150,000	0
Introduction of Radio Frequency Identification (RFID) in libraries	232,800	0	232,800	0
Library modernisation plan	54,037	57,274	54,037	0
Pelsall library, childrens centre and health centre	389,887	286,838	389,887	0
Allotment improvement programme	23,726	0	23,726	0
George Rose park development	299,180	1,250	51,250	(247,930)
Palfrey park - HLF	65,517	1,574	65,517	0
Sneyd reservoir overflow replacement	0	-575	0	0
Walsall arboretum lido 2011/12	175,000	0	175,000	0
Walsall arboretum restoration programme	467,938	0	467,938	0
Memorial safety	100,000	20,902	100,000	0
Streetly crematorium mercury abatement	45,803	1,878	45,803	0
Demolition of Willenhall leisure centre	205,000	0	205,000	0
Dilapidations at Bryntisilio	400,000	0	400,000	0
Greenspace improvement plan	50,000	0	50,000	0
Total Council Resources	2,691,467	387,497	2,443,537	(247,930)
Externally Funded				
Ride on mower (RCCO)	2,341	2,341	2,341	0
Pelsall Common Play Area	49,900	0	49,900	0
Pelsall library, childrens centre and health centre	3,850,000	0	3,350,000	(500,000)
NOF for PE & Sport - Aldridge Airport	46,172	23,985	46,172	(0)
Bloxwich Fountain Restoration Project	1,017	0	1,017	0
Bradbury park improvements	2,046	487	2,046	0
King George V pathfinder project	674	0	674	0
Kings Hill park improvement - phase 1	660	660	660	0
Kings Hill park improvement - phase 2	185,410	2,065	104,065	(81,345)
Palfrey Park - HLF	295,197	0	295,197	0

Service Area / Scheme	Annual Budget	Year To Date	Year End Forecast	Year End Variance
	£	£	£	£
Play builders programme	19,683	5,818	19,683	0
Pleck Park Senior Citizens Bowling Club	17,000	0	17,000	0
Rushall Parks Footpath Works	24,243	2,399	24,243	0
Walsall Arboretum restoration project	2,762,442	402,682	2,762,442	0
Walsall childrens play fund	368,828	229,261	368,828	0
Willenhall Memorial Park - contribution	15,250	0	15,250	0
Streetly crematorium mercury abatement	106,908	0	106,908	0
The Arboretum Gallery Garden	20,449	0	20,449	0
Programme Paragon - PRG	19,285	0	19,285	0
Total Externally Funded	7,787,503	669,698	7,206,158	(581,345)
Total Environment	10,478,970	1,057,195	9,649,695	(829,275)