

**COMMUNITY SERVICES
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No. 8**

DATE: 8 SEPTEMBER 2009

REVENUE & CAPITAL MONITORING – 2009/10 FIRST QUARTER FORECAST

Ward(s) All

Portfolio:

Councillor Sanders – Leisure and Culture
Councillor Perry – Communities and Partnerships
Councillor Bird – Leader of the Council (Elections/Walsall Partnership)

Summary of report

This report summarises the predicted revenue and capital outturn position for 2009/10, based on the performance for quarter 1 (April to June 2009), for services within the remit of the Community Services Scrutiny and Performance Panel.

Recommendation

To note that the 2009/10 forecasted year end financial position for services under the remit of the Community Services Scrutiny and Performance Panel, is a predicted revenue variance (overspend) against budget of **£0.483m** (net of use of earmarked reserves), and a capital underspend of **£1.619m**.

Background papers

Various financial working papers.
2009/10 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the predicted financial position for 2009/10.

Signed:



Chief Finance Officer: James T Walsh

Date: 21 August 2009

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. Corrective action plans are in place to mitigate any overspends within service. Any corporate overspend will require replenishment in the 2010/11 budget.

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

Consultation was undertaken as part of the budget setting process, and throughout the financial year with senior officers on the financial position and reporting thereof.

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1 Forecast Revenue Outturn 2009/10 – Community Services

- 1.1 The forecast revenue outturn for 2009/10 for the services under the remit of the Community Services Scrutiny and Performance Panel (based on the position as at the end of June 2009) is an overspend against budget of **£0.483m** (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 net use of reserves of £2.52m, where approval has been given by cabinet for additional funds for specific services, and include approved carry forwards from 2008/09. **Table 1** provides a summary of these.
- 1.4 **Table 2** overleaf shows the forecast outturn for each service, and **Table 3** provides an analysis of the reasons for the forecast material variances.

| Table 1 – Analysis of 2009/10 Use of Earmarked Reserves | | |
|--|---|------------------|
| Service Area | Reason / Explanation | £ |
| Centrally held Earmarked Reserves | | |
| Neighbourhood Partnerships | LNP Earmarked reserve | 165,274 |
| Walsall Partnership | WNF / Community Cohesion / Stronger Safer | 2,192,073 |
| Carry forwards from 2008/09 | | |
| Safer Walsall Partnership | Darlaston Face the Public session | 1,000 |
| | Hard to reach projects | 2,000 |
| | Walsall Alcohol Arrest Referral | 14,000 |
| | Community consultation process | 10,000 |
| Neighbourhood Partnerships | Grants to community organisations | 2,780 |
| | Preventing violent extremism | 110,960 |
| | Local involvement networks | 10,000 |
| Carry forwards from 2007/08 | | |
| Leisure & Culture | First Stop Shop | 10,000 |
| TOTAL USE OF RESERVES | | 2,518,087 |

Table 2 – Forecast Revenue Outturn 2009-10

| Service Area | Annual Budget £ | Profiled Budget £ | Year To Date £ | Variance £ | Year End Forecast £ | Year End Variance £ | Use of reserves £ | Variance after Reserves £ |
|---|----------------------------|------------------------------|---------------------------|-----------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------------|
| Built Environment | | | | | | | | |
| Safer Walsall Partnership | 1,193,944 | 402,353 | 490,970 | 88,617 | 1,220,944 | 27,000 | (27,000) | 0 |
| Leisure, Culture & Lifelong Learning | | | | | | | | |
| Catering | 365,611 | (14,845) | 8,124 | 22,969 | 365,611 | 0 | 0 | 0 |
| Sports | 1,855,754 | 690,355 | 760,797 | 70,442 | 2,013,804 | 158,050 | 0 | 158,050 |
| Bryntysilio | 358,867 | 89,723 | 87,906 | (1,817) | 358,867 | 0 | 0 | 0 |
| Greenspaces | 2,072,989 | 489,829 | 716,255 | 226,426 | 2,150,219 | 77,230 | 0 | 77,230 |
| Forest Arts Service | 706,375 | 204,714 | 284,765 | 80,051 | 706,375 | 0 | 0 | 0 |
| Walsall Illuminations | (22,255) | (5,559) | (135,370) | (129,811) | 33,542 | 55,797 | 0 | 55,797 |
| Marketing & Box Office | 182,238 | 45,565 | 62,104 | 16,539 | 182,238 | 0 | 0 | 0 |
| Management Services | 276,743 | (48,433) | 108,035 | 156,468 | 288,103 | 11,360 | 0 | 11,360 |
| Walsall Adult & Community Learning | 169,730 | 42,453 | (152,253) | (194,706) | 169,730 | 0 | 0 | 0 |
| Libraries & Heritage | 5,486,591 | 1,544,879 | 1,668,977 | 124,098 | 5,541,741 | 55,150 | 0 | 55,150 |
| Creative Development | 242,674 | 61,523 | 188,419 | 126,896 | 242,674 | 0 | 0 | 0 |
| New Art Gallery | 937,440 | 436,650 | 103,829 | (332,821) | 1,032,653 | 95,213 | 0 | 95,213 |
| Electoral Services | 357,209 | 89,307 | 305,623 | 216,316 | 336,857 | (20,352) | 0 | (20,352) |
| First Stop Shop | 137,396 | 34,359 | 44,432 | 10,073 | 147,167 | 9,771 | (10,000) | (229) |
| Walsall Partnership | | | | | | | | |
| Walsall Partnership | 135,592 | 150,849 | 135,731 | (15,118) | 2,328,875 | 2,193,283 | (2,192,073) | 1,210 |
| Neighbourhood Partnerships | 990,593 | 389,170 | (165,636) | (554,806) | 1,329,607 | 339,014 | (289,014) | 50,000 |
| Total Community Services | 15,447,491 | 4,602,892 | 4,512,708 | (90,184) | 18,449,007 | 3,001,516 | (2,518,087) | 483,429 |

TABLE 3 - ANALYSIS OF REASONS FOR FORECAST VARIANCES

| Service Area | JUNE | | | Explanation of Year end Variance |
|---|------------------|-------------------|----------------|--|
| | Amount £ | Reserves £ | Actual £ | |
| Built Environment | | | | |
| Safer Walsall Partnership | 27,000 | -27,000 | 0 | Reserves are shown in Table 1 |
| Leisure, Culture & Lifelong Learning | | | | |
| Sports | 158,050 | 0 | 158,050 | Loss of Sports Centre income £110k, and delay in implementing saving of £50k for Sports Management re-organisation, slightly offset by a small underspend on supplies and services |
| Greenspaces | 77,230 | 0 | 77,230 | Delay in approved staff savings from redundancies actioned until part way during the year (£52k), and expected overspend on energy of £25k. |
| Walsall Illuminations | 55,797 | 0 | 55,797 | Delay in approved staff savings from redundancies - assumed 5 months for 3 staff |
| Management Services | 11,360 | 0 | 11,360 | Staffing costs of £8k and increased cash collection costs of £3k. |
| Libraries & Heritage | 55,150 | 0 | 55,150 | Predicted overspend on utility costs of £43k, and £17k overspend in rent and rates, offset in part by small underspends on other running expenses. |
| New Art Gallery | 95,213 | 0 | 95,213 | Unachieved income target from Costa Coffee of £34k, anticipated overspend on electricity of £51k and gas £5k, and no-receipt of rental income from crown wharf |
| Electoral Services | -20,352 | 0 | -20,352 | Projected underspend on staff costs and computer costs |
| First Stop Shop | 9,771 | -10,000 | -229 | Minor underspend on running costs net of use of reserves. |
| Walsall Partnership | | | | |
| Walsall Partnership | 2,193,283 | -2,192,073 | 1,210 | Overspend on supplies and services net of use of reserves. |
| Neighbourhood Partnerships | 339,014 | -289,014 | 50,000 | Target to generate external grant sources to fund LNP's. |
| Total Community Services | 3,001,516 | -2,518,087 | 483,429 | |

2 Forecast Capital Outturn 2009/10 – Community Services

2.1 The forecast capital outturn for 2009/10 for the schemes under the remit of this panel (as at the end of June 2009) is a predicted underspend against budget of **£1.619m**. **Table 4** provides a summary by scheme.

| Table 4 – Forecast Capital Outturn 2009-10 | | | | |
|---|----------------------------|---------------------------|--------------------------------|--------------------------------|
| Service Area / scheme | Annual Budget £ | Year To Date £ | Year End Forecast £ | Year End Variance £ |
| Council Own Resources | | | | |
| Safer Walsall Partnership | | | | |
| Improving security in local neighbourhoods | 280,066 | 16,508 | 280,066 | 0 |
| Leisure, Culture & Lifelong Learning | | | | |
| Catering secondary school dining redevelopment | 21,517 | 50 | 21,517 | 0 |
| Palfrey Park | 75,000 | 0 | 0 | -75,000 |
| Walsall Arboretum restoration programme | 515,438 | 0 | 0 | -515,438 |
| Allotment improvement programme | 43,207 | 36,700 | 43,207 | 0 |
| DDA for Greenspaces | 8,948 | 0 | 0 | -8,948 |
| Library modernisation plan | 361,603 | 79,530 | 361,603 | 0 |
| Pelsall Library, Childrens Centre & Health Centre | 350,000 | 0 | 350,000 | 0 |
| Replacement of Local History Air Conditioning | 60,000 | 0 | 60,000 | 0 |
| Forest Arts Centre roof | 120,072 | 0 | 120,072 | 0 |
| Local Access Customer Service Bus | 6,990 | 5,187 | 6,990 | 0 |
| Contact Centre | 138,295 | 1,828 | 138,295 | 0 |
| Neighbourhood Partnerships | | | | |
| Redhouse Community Centre | 350,000 | 0 | 350,000 | 0 |
| Total Mainstream | 2,331,136 | 139,802 | 1,731,750 | -599,386 |
| External Grant | | | | |
| Safer Walsall Partnership | | | | |
| Safer Stronger Community Fund | 106,655 | 0 | 106,655 | 0 |
| Leisure, Culture & Lifelong Learning | | | | |
| Free swimming capital reward grant | 76,385 | 36,162 | 76,385 | 0 |
| Bloxwich Fountain restoration project | 20,081 | 4,000 | 20,081 | 0 |
| George Rose Park lodge landscape | 1,788 | 0 | 1,788 | 0 |
| Greenspaces improvement | 50,000 | 0 | 0 | -50,000 |
| High Heath improvement project | 3,290 | 0 | 3,290 | 0 |
| NOF for PE and Sport | 46,128 | 0 | 46,128 | 0 |
| Palfrey Park HLF | 296,500 | 0 | 0 | -296,500 |
| Reedwood Park | 1,019 | 1,019 | 1,019 | 0 |
| Walsall Arboretum restoration programme | 720,574 | 0 | 47,500 | -673,074 |
| Walsall childrens play fund | 480,620 | 710 | 480,620 | 0 |
| Willenhall Memorial Park fishing pool | 46,065 | 0 | 46,065 | 0 |
| Willenhall Memorial Park | 25,759 | 0 | 25,759 | 0 |
| Neighbourhood learning in deprived communities | 18,253 | 9,562 | 18,253 | 0 |
| Bloxwich Library project | 2,120,913 | 129,477 | 2,120,913 | 0 |
| Pelsall Library, Childrens Centre & Health Centre | 550,000 | 0 | 550,000 | 0 |
| Total Non Mainstream | 4,564,031 | 180,931 | 3,544,457 | -1,019,574 |
| Total Community Services | 6,895,167 | 320,733 | 5,276,207 | -1,618,960 |

2.2 It is currently assumed that all resources will be adequately programmed and spent by the year end, with the exception of those below :-

Council resources

- Palfrey Park HLF project delayed to 2010/11
- Walsall Arboretum restoration programme rephased to 2010/11
- DDA for Greenspaces linked to Palfrey Park project which has been delayed to 2010/11

External Grant

- Greenspaces improvement strategy waiting for match-funding to be identified
- Palfrey Park HLF project delayed to 2010/11 as above
- Walsall Arboretum restoration programme delayed to 2010/11 as above