

**24 OCTOBER 2024**

**CORPORATE FINANCIAL PERFORMANCE – QUARTER 2 (P6) FINANCIAL MONITORING  
POSITION FOR 2024/25**

**Ward(s)** All

**Portfolio:** Councillor A. Andrew – Associate Leader Economic Growth and Regeneration  
Councillor K. Murphy – Street Pride  
Councillor G Flint – Wellbeing, Leisure, and Public Spaces  
Councillor P Kaur – Education and Skills

**1. Aim**

To provide the budget monitoring position for Period 6 2024/25. The Chair requested that this item be considered by the Committee.

**2. Recommendations**

The Committee are requested to:

- 2.1 To note the revenue and capital forecast for the financial year-end 2024/25 for the services that fall under the remit of the committee.

**3. Report detail – know**

- 3.1 This report summarises the forecast revenue and capital financial position for 2024/25, based on the position to September 2024, for services within the remit of the Economy and Environment Overview and Scrutiny Committee, as reported to Cabinet on 16 October 2024. The full Cabinet report can be accessed by the following link:

[Corporate Financial Performance 2024/25 - Cabinet 16 October 2024](#)

The current net forecast position on the £35.542m revenue budget is an overspend of £2.705m after the net use of reserves. The current net capital position is a proposed £51.463m carry forward.

3.2 Reasons for the current revenue position are shown in Table 1 below:

<b>Table 1 – Reasons for revenue outturn variance</b>		
<b>Service</b>	<b>Variance £m</b>	<b>Explanation of Forecast Year End Variance</b>
Cultural Service	(0.015)	The underspend is due to staffing vacancies.
Planning Services & Building Control	0.202	£0.09m relates to software, £0.08m relates to staffing, other minor overspends amount to £0.032m.
Regeneration & Economy	(0.000)	Nil Variance - £0.26m Red STP 23/24 carried forward with no delivery plan mitigated by one-off grant funding of posts.
Environment	0.027	There is an over recover of income of £0.022m offset by overspends on staffing £0.017m and supplies £0.032m.
Leisure	(0.130)	£0.112m underspend on staffing due to vacancies, £0.057m overspend on non-staffing, £0.078m over recovery of income along with other overspends of £0.003m.
Commercial	1.030	£0.694m (Inc £0.094m RED STP) a reduction in crematorium income due to new competitor in the market. £0.055m STP not achieved on new memorial garden, £0.147m pressure on salaries, £0.135m under recovery of income from Walsall Market. Other 0.001m underspend.
Highways & Transportation	0.008	£0.329m additional income from moving traffic enforcement offset by overspends of £0.071m postage, £0.157m maintenance, £0.040m STP on festive lighting and other overspends of £0.053m
Operations	1.074	Highways and Transportation overspend of £0.127m which is made up of various small overspends.  Clean and Green overspend of £0.947m. This is made up of overspends of £0.970m comingled waste, £0.558m staffing costs and overspends on the waste disposal contract of £0.099m. £0.150 Fryers Road STP not achieved, offset by over recovery on income, WR2 energy £0.633m, trade waste £0.215m, fuel STP brought forward £0.075m. The balance is various smaller overspends that total £0.093m.
Housing Standards and Improvements	(0.120)	(£0.087m) additional income from HMO fines and (£0.033m) income from grants to fund posts.
Corporate Landlord	(0.114)	£0.225m red STP- One Public Estate. £0.175 overspend on water offset by rental income for existing properties (£0.151m) and additional income from Lex site and Park Place (0.336m).
Soft Facilities Management	0.744	Internal cleaning & caretaking pressure of £0.700m and £0.040m red STP non delivery.
EE Management	0.001	Minor variances of £0.001m.
<b>Total Services within remit of this Committee</b>	<b>2.705</b>	

3.3 The forecast revenue position by service is shown in Table 2 below:

<b>Table 2- Forecast Revenue Outturn 2023/24</b>					
<b>Service</b>	<b>Annual Budget £m</b>	<b>Year End Forecast Variance £m</b>	<b>Planned Use of Reserves £m</b>	<b>Action Plan £m</b>	<b>Variance after Reserves &amp; Action Plan £m</b>
Cultural Service	0.882	0.069	(0.084)	0.000	(0.015)
Planning Services & Building Control	1.169	0.426	(0.224)	0.000	0.202
Regeneration & Economy	0.444	0.431	(0.171)	(0.260)	0.000
Environment	0.678	0.367	(0.339)	0.000	0.027
Leisure	(1.046)	(0.130)	0.000	0.000	(0.130)
Commercial	(1.864)	1.030	0.000	0.000	1.030
Highways & Transportation	5.524	1.854	(1.846)	0.000	0.008
Operations	22.624	1.403	(0.254)	(0.075)	1.074
Housing Standards and Improvements	0.114	(0.064)	(0.056)	0.000	(0.120)
Corporate Landlord	5.574	1.485	(1.599)	0.000	(0.114)
Soft Facilities Management	1.150	0.744	0.000	0.000	0.744
EE Management	0.291	0.001	0.000	0.000	0.001
<b>Total Services within remit of this Committee</b>	<b>35.542</b>	<b>7.615</b>	<b>(4.575)</b>	<b>(0.335)</b>	<b>2.705</b>

### 3.4 Reasons for Movements – Quarter One to Quarter Two

The June forecast position reported to Cabinet for services within the remit of this committee in July 2023 was an overspend of £2.608m therefore, there is a net increase in the overspend of £0.097m over the period. The key reasons for movements are detailed in Table 3 below:

<b>Table 3 – Reasons for movement</b>		
<b>Service</b>	<b>Movement £m</b>	<b>Reason for movement</b>
Cultural Service	0.004	Minor variances of £0.004m.
Planning Services & Building Control	0.111	There has been an increase in the forecast on pay of £0.099m and £0.012m on other minor variances.
Regeneration & Economy	(0.000)	No movement
Environment	0.021	Minor variances of £0.021m
Leisure	0.012	Minor variances of £0.0012m
Commercial	(0.081)	The forecast income from the crematorium has decreased by £0.127m along with a decrease in expenditure of £0.046m.
Highways & Transportation	(0.064)	The forecast for maintenance has increased by £0.157m with pay reducing by £0.077m. Other minor movements total £0.016m.

Operations	0.573	The movement relates to £0.178m increase in comingled waste transport costs and increased landfill tax of £0.183m.
Housing Standards and Improvements	(0.120)	The movement relates to an increase in income of £0.120m.
Corporate Landlord	(0.363)	This relates to income from new property purchases in 24/25.
Soft Facilities Management	0.004	Minor variances of £0.004m
EE Management	0.001	Minor variances of £0.001m
<b>Total Services within remit of this Committee</b>	<b>0.097</b>	

### 3.5. Reserves

The total allocated reserves for Economy and Environment in 2024/25 are £22.256m of which net £4.575m has been used or committed to date. Table 4 below details the current net use of reserves included within the forecast.

<b>Table 4 - Summary of use of reserves and transfer to reserves</b>				
<b>Reserve Details</b>	<b>Allocated reserve</b>	<b>Use of reserve</b>	<b>Transfer to reserve</b>	<b>Balance of reserve</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Cultural Service	0.189	(0.084)	0.000	0.105
Planning Services & Building Control	0.422	(0.224)	0.000	0.198
Regeneration & Economy	3.630	(0.171)	0.643	4.102
Environment	1.064	(0.339)	0.000	0.725
Leisure	0.000	0.000	0.000	0.000
Commercial	0.000	0.000	0.000	0.000
Highways & Transportation	14.713	(1.846)	0.000	12.867
Operations	0.254	(0.254)	0.000	0.000
Housing Standards and Improvements	0.284	(0.056)	0.000	0.228
Corporate Landlord	1.699	(1.599)	0.000	0.100
Soft Facilities Management	0.000	0.000	0.000	0.000
EE Management	0.000	0.000	0.000	0.000
<b>Total Reserves</b>	<b>22.256</b>	<b>(4.575)</b>	<b>0.643</b>	<b>18.324</b>

### 3.6. Risks

For the services under the remit of this committee, there is a high risk totalling **£1.00m** for additional property maintenance costs which have not been included within the above forecast. At this stage the risks are not certainties and as such are not included in the monitoring position. High risks of **£1.000m** are included in the corporate monitoring report to CMT. If the risks become certainties, they will need to be included in the forecast position as overspends unless alternative action can be identified to mitigate these costs.

### 3.7 Service Transformation Plan Benefits

Included within the budget for 2024/24 for services within the remit of this Committee are £3.859m of approved savings. Table 5 gives an early indication of the progress towards implementing these benefits:

Each benefit is “BRAG” categorised as follows:

- Blue (delivered);
- Green (on track to be delivered with no issues at year end of 2023/24);
- Amber (not guaranteed at this stage but no major issues expected, some management action needed to ensure delivery) or,
- Red - (at high risk of not being achieved either in part or in full and therefore a robust delivery plan is required);

<b>Table 5: Delivery of 2023/24 approved savings – services within the remit of this Committee</b>					
<b>Saving</b>	<b>Total savings</b>	<b>Delivered</b>	<b>To be delivered by 31/03/24</b>	<b>Not fully guaranteed</b>	<b>Not achieved</b>
	<b>£m</b>	<b>(Blue)</b>	<b>(Green)</b>	<b>(Amber)</b>	<b>(Red)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
P1 Leisure health checks based on 5% forecast take up	<b>0.005</b>	0.003	0.003	-	-
P2 Registrars change of name deeds	<b>0.003</b>	-	0.003	-	-
P3a Outsource Outdoor Pursuits Service to a community group	<b>0.013</b>	-	0.004	-	0.009
P4 Increase in bulky waste charges from £10 to £30 for up to 3 items, £50 for 4-6 items and £70 for 7-9 items	<b>0.136</b>	-	0.121	-	0.015
P4 Street lighting dimming & trimming during the evening	<b>0.160</b>	-	-	-	0.160
P5 Seek sponsorship of all festive lights - saving agreed in Feb 24 cabinet report	<b>0.040</b>	-	-	-	0.040
P6 Rewilding of all urban grassed areas - to manage public grassed open spaces and verges for biodiversity rather than visual appearance. Most areas would only receive one cut per year; however, pitches, visibility splays, paths and edges would be cut more	<b>0.050</b>	0.050	-	-	-
P6 Closure of Fryers Road and Merchants Way Household Waste Recycling Centres for 1 day (7 to 6) - saving on contract spend	<b>0.150</b>	-	-	-	0.150

P12 Parking dispensation charging of £15 per vehicle per day	<b>0.015</b>	-	0.004	-	0.011
OP4 Increase On Street Parking charges	<b>0.020</b>	-	0.015	-	0.005
OP5 Increase Off Street Parking charges	<b>0.055</b>	-	0.041	-	0.014
OP7 Traffic enforcement income model	<b>0.025</b>	0.025	-	-	-
OP16 Enhancement of Darlaston Pool - implement new water features to improve teaching pool facilities and attract 'new business' - linked to capital investment	<b>0.015</b>	0.008	0.008	-	-
OP17 Development of Oak Park office space to create more functional fitness space to expand classes - linked to capital investment	<b>0.038</b>	-	0.038	-	-
OP18 Improvement to DD collection processes	<b>0.010</b>	-	-	-	0.010
OP26 Review of coffee shop operations	<b>0.010</b>	0.005	0.005	-	-
OP21 Increase rental income from Park Lodges	<b>0.004</b>	-	-	-	0.004
OP23a Income generation review of fees and charges - increase bereavement charges by 5%, registrars and interment fees by 3%	<b>0.053</b>	-	0.053	-	-
OP23b Income generation review of fees and charges - increase bereavement charges by 5%, registrars and interment fees by 3%	<b>0.094</b>	-	-	-	0.094
OP34pt Fees and charges - Registrars, Crematorium	<b>0.062</b>	-	0.055	-	0.007
OP34pt Fees and charges - Active Living	<b>0.171</b>	-	0.171	-	-
OP27 Above inflation increase to fees and charges	<b>0.020</b>	-	0.020	-	-
OP28 Bereavement services new memorial garden at North Walsall Cemetery (linked capital investment of £480k required)	<b>0.055</b>	-	-	-	0.055
OP29 Leisure personal training	<b>0.008</b>	0.002	0.002	-	0.005
OP30 Leisure commercial courses	<b>0.004</b>	0.002	0.002	-	-
OP31 Leisure programme review	<b>0.015</b>	0.008	0.008	-	-
OP32 Active Living Centres income generation	<b>0.180</b>	0.089	0.018	-	0.074

OP33 Commercialisation of services – potential to develop services to be self-funding - Registrars	<b>0.047</b>	-	0.047	-	-
OP34pt Fees and charges - Parks, Community Activity, Fleet, Waste, Environmental Health	<b>0.050</b>	0.006	0.045	-	-
OP66 Additional Trade Waste Income	<b>0.068</b>	-	0.068	-	-
OP54 Charge developers for travel plans	<b>0.030</b>	-	0.030	-	-
OP1 Street lighting energy savings	<b>0.263</b>	-	-	-	0.263
OP34pt Fees and charges - H&T	<b>0.007</b>	-	0.007	-	-
OP67 Capitalisation of highways maintenance potholes to replace undeliverable 2023/24 saving	<b>0.200</b>	0.200	-	-	-
OP68 Increase parking penalty notices income target to reflect demand	<b>0.020</b>	-	0.020	-	-
OP69 Other waste disposal - (e.g. grey bin, plasterboard, textiles)	<b>0.280</b>	0.280	-	-	-
OP70 W2R (Waste to Recycling) reconciliation credit	<b>0.150</b>	-	0.150	-	-
OP71 Trade waste increase in income	<b>0.100</b>	0.100	-	-	-
P3 Arena income - To introduce new online shop sales and ticketing	<b>0.015</b>	-	-	-	0.015
OP4 Regeneration & Economy team review	<b>0.260</b>	-	-	-	0.260
OP1 Income generation review of fees and charges - increase planning development charges by 5%	<b>0.001</b>	-	0.001	-	-
OP49 One public estate – income from partners	<b>0.250</b>	-	0.025	-	0.225
OP52 Potential further restructure of Corporate Landlord	<b>0.070</b>	0.047	0.023	-	-
OP53 Energy reductions	<b>0.200</b>	-	-	-	0.200
NEW Solar panels on our buildings	<b>0.016</b>	0.016	-	-	-
OP2 Income from Enterprise Zone due to historic business rates	<b>0.147</b>	0.147	-	-	-
OP3 Arena restructure	<b>0.007</b>	0.007	-	-	-
OP34pt Fees and charges - Cultural	<b>0.040</b>	-	0.027	-	0.012
OP34pt Fees and charges - Planning	<b>0.012</b>	-	0.012	-	-

OP8 Alternate funding of Building Control officer posts from Local Authority Building Control funds for 1 year only	<b>0.086</b>	0.086	-	-	-
OP9 One off use of Biodiversity Net Gain grant allocation (linked to investment 6 for new Ecology officer post)	<b>0.010</b>	-	0.010	-	-
OP41 Replace Evolutive with in house system	<b>0.010</b>	0.010	-	-	-
OP50 Restructure of post room	<b>0.020</b>	0.020	-	-	-
OP51 Council House / Town Hall events	<b>0.040</b>	-	-	-	0.040
OP35 Explore full cost recovery for admin of Energy Company Obligation (ECO) by fee charging	<b>0.050</b>	-	0.050	-	-
<b>Total</b>	<b>3.859</b>	<b>1.109</b>	<b>1.084</b>	<b>-</b>	<b>1.667</b>

### 3.8 Capital Summary

The capital programme budget for the services under the remit of the Economy and Environment Overview and Scrutiny Committee is £131.698m with the current forecast position projected to £80.234m for Period 6 (September) as detailed in Table 6 below. The proposed £51.463m carry forward is split across a number of service areas.



<b>Table 6- Capital Forecast 2024/25</b>					
<b>Service</b>	<b>Annual Budget</b>	<b>Actual Year to Date</b>	<b>Forecast</b>	<b>Year End Variance</b>	<b>Proposed carry f/wd to 2025/26</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b><u>Council Funded</u></b>					
Environment Services	1.213	0.256	1.027	(0.186)	(0.186)
Leisure and Commercial	0.194	0.008	0.190	(0.004)	(0.004)
Highways, Transport and Operations	7.574	1.698	6.241	(1.333)	(1.333)
Regeneration & Economy	16.304	6.570	4.542	(11.763)	(11.763)
Housing Standards & Improvements	0.081	(0.011)	0.081	0.000	0.000
Integrated Facilities Management	7.346	0.669	3.330	(4.016)	(4.016)
Asset Management	0.671	0.164	0.671	0.000	0.000
<b>Total Council Funded</b>	<b>33.383</b>	<b>9.352</b>	<b>16.082</b>	<b>(17.302)</b>	<b>(17.302)</b>
<b><u>Prudential Borrowing</u></b>					
Environment Services	28.592	5.744	28.592	0.000	0.000
<b>Total Prudential Borrowing</b>	<b>28.592</b>	<b>5.744</b>	<b>28.592</b>	<b>0.000</b>	<b>0.000</b>
<b><u>External Funded</u></b>					
Environment Services	2.589	0.107	0.744	(1.845)	(1.845)
Leisure and Commercial	0.504	0.000	0.504	0.000	0.000
Highways, Transport and Operations	10.002	3.393	9.616	(0.386)	(0.386)
Regeneration & Economy	30.679	0.756	8.968	(21.711)	(21.711)
Programme Management	23.046	0.281	12.826	(10.220)	(10.220)
Housing Standards & Improvements	1.442	0.574	1.442	0.000	0.000
Integrated Facilities Management	1.462	0.006	1.462	0.000	0.000
<b>Total Externally Funded</b>	<b>69.723</b>	<b>5.117</b>	<b>35.561</b>	<b>(34.161)</b>	<b>(34.161)</b>
<b>TOTAL</b>	<b>131.698</b>	<b>20.213</b>	<b>80.234</b>	<b>(51.463)</b>	<b>(51.463)</b>

## **4 Financial information**

- 4.1 The financial implications are as set out in the main body of this report. The council has a statutory responsibility to set a balanced budget and to ensure it has an adequate level of reserves. The council will take a medium-term policy led approach to all decisions on resource allocation.

## **5. Reducing Inequalities**

- 5.1 Services consider and respond to equality issues in setting budgets and delivering services. Irrespective of budgetary pressures, the Council must fulfil equal opportunities obligations.

## **6. Decide**

- 6.1 To approve the recommendations as set out in this report.

## **7. Respond**

- 7.1 The Interim Executive Director for Economy, Environment and Communities, with finance in support will be working with Directors and Heads of service to review the forecast, to continue to implement actions for any further forecasts and to consider these financial implications in line with the council's budget setting process.

## **8. Review**

- 8.1 Regular monitoring reports are presented to Cabinet to inform them of the financial forecast for 2024/25, including an update on risks and impact on the budget for 2025/25 and beyond.

**Background papers:** Various financial working papers

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