

Agenda Item No. 8

WEST MIDLANDS REGIONAL ASSEMBLY

Board of Directors – 10TH March 2006

2005-06 ESTIMATED OUTTURN AND FINAL VIREMENTS

Report of the Chief Executive

1. Purpose of Report

To report the 2005-06 Estimated Outturn to Budget as set out in Appendix A to this report.

This report also highlights any significant variations to the budget that have not already been reported to the Board and proposes a number of final virements.

2. Recommendation

- 2.1 That the Board notes the detail of the report and **approves** the revised estimates and the resulting virements as detailed below and in the Estimated Outturn Appendix A.

Additional expenditure;

- **WS13 £20,000** to increase capacity for Assembly staff within the RPC and ensure FOI capability (adaptation works, furniture and storage, ICT equipment and infrastructure improvements)
- **WS29 £64,224** legal fund with any balance to be carried forward as a contingency fund to support RHB, Conformity and public inquiries in 2006-07 (in addition to a virement of £12,500 to legal already approved by the Board on 2nd December)
- **WS34 £5,000** to strengthen our support for 2012

These virements will be supported by a transfer of funds from other work-streams;

- From Transport [WS22] a total of £30,000 for legal contingency at WS29
- From Staffing [WS10] £35,000 contributing £20,000 to Office expansion WS13, £3,970 to shortfall on Policy work strands, and £11,030 to the legal contingency WS29
- The balance of WS29 the Legal Contingency Fund of £23,194 is drawn from other planning work strands.

3. Background

The following is a review of both income and expenditure streams where there has been a significant variation from the revised budget.

3.1 Income:

3.1.1 Advantage West Midlands

The RDA has indicated that their commitment to RTPP funding will not be the £150,000 as per our original budget, but that they aim to match the Assembly's expenditure on transport.

3.1.2 ODPM

During the year we have successfully won additional funds from ODPM as follows;

- £12,500 contribution to the cost of the Coventry Airport Inquiry
- Additional funding for the Black Country Study for which the value is to be confirmed shortly but is expected to be £100,000-£120,000

3.1.3 Housing

The seven Met Authorities via Chief Engineers and Planning Officers Group (CEPOG) have provided £30,000 to meet the costs of housing technical support in 2006-07.

3.1.4 Bank Interest

The original budget did not include for any interest on bankings and this 'surplus' will provide for a modest reserve.

3.1.5 Partner Funded Projects

The Assembly has a financial management role for a number of partner projects and in the outturn we record a level of expenditure equivalent to income collected. However some of these projects will carry forward unspent funds into 2006-07.

In 2005-06 our partner funded activity was;

	2005-06 Income	Estimated Balance for 2006-07
1. Forestry & Rural	£71,012	£25,000
2. Health	£58,966	£19,000
3. Energy WM	£240,412	£11,000

3.2 Expenditure:

3.2.1 Staff

In 2005-06 there was a significant underspend on staffing due to a number of factors;

- Senior Advisor Europe – six month lagging and post occupied on PTE 4 days
- Planning Support Officer – this post was amended to a Regional Support Officer post (lower scp value) and also had a three month recruitment lag
- New Planning Technician – post set at lower scp value
- New Strategic Advisor Planning – appointed on PTE 4 days
- Communications Manager – one month lagging and post occupied on PTE 4 days
- Policy Officer post changed to PTE 4 days.

Other factors included savings relating to variations on NI percentages, pension costs and sickness.

Whilst the Board has already agreed the virement of some of the overall savings identified in previous reports, the balance of savings are being utilised to equip the Regional Partnership Centre for the growth in our own and partner activity for 2006-07.

3.2.2 Office

In the final quarter of this year it has been necessary to invest in our future by increasing the capacity at the Regional Partnership Centre. This has meant investment in the ICT infrastructure and additional work stations and storage walls to facilitate the growth around our planning activities, as well as efforts to increase partner working by providing accommodation for City Region officers etc.

As this is a one-off cost we are proposing to use the one-off savings on salaries to fund this necessary investment.

3.2.3 Planning

As the Board is aware we have been campaigning for ODPM approval to make provision for legal contingency funds to meet the growing risk of legal costs in respect of our conformity work. A point in case in 2005-06 is the Coventry Airport Inquiry which is now expected to cost at least £42,500 possibly more. This cost is being met from the transport budget and a virement of £30,000 to the legal work strand is

being topped up via a contribution of £12,500 from the ODPM legal pot.

Having now received ODPM approval to adopt a 'Legal Contingency Fund' approach for 2006-07 (see separate agenda item XX), we have reviewed our planning work strands with a view to identifying any opportunities to establish a legal contingency fund. We are therefore proposing a fund of around £34,000 for 2006-07 to meet the balance of any Coventry Airport costs and other RHB and Conformity issues. This fund is established from savings on planning staffing (1/3) and planning work strands (2/3).

Subject to Board approval, we will seek confirmation from ODPM that this level of contingency is acceptable.

3.2.4 Policy Integration

As agreed previously by the Board we are committing additional funds to support 2012 and the total overspend on policy integration is being met from savings on staffing.

4. Conclusion

The Assembly budget is on target to fully utilise the ODPM grants pending their approval of our contingency fund. Indeed, the challenge has been to deliver a demanding programme of work (particularly around the statutory planning function) within the confines of ODPM funds. Contributions from partners and local government in support of the work programme, has been critical to containing our costs.

Trudi Elliott
Chief Executive
WMRA

West Midlands Regional Assembly: Estimated Outturn and Final Virements

<u>INCOME</u>	WS	Revised Budget	Estimated Outturn	Proposed Virements
ODPM	1	2,065,000	2,065,000	
ODPM legal fund	29		12,500	
ODPM for Black Country Study*	2	0	120,000	
ODPM cost of Housing Board	3	0		
Advantage West Midlands	4	2,500	2,500	
Advantage West Midlands	5	150,000		
Forestry Commission	6	60,998	71,012	
Department of Health	7	58,966	58,966	
English Regions Network	8	15,000	15,000	
Energy Office (DTI)	9	231,412	240,412	
Partner Housing Contributions		0	45,697	
Other Project Income		0	9,408	
Bank Interest (less CT)			18,000	
Total		2,583,876	2,658,495	
<u>EXPENDITURE</u>				
Corporate				
Staffing	10	1,035,950	1,000,950	-35,000
Staff Training (CPD)	11	10,000	7,000	-3,000
Members Allowance	12	10,000	10,000	0
Operational	13	134,200	154,200	20,000
Communications	14	55,000	55,000	0
<i>Sub Total</i>		<i>1,245,150</i>	<i>1,227,150</i>	<i>-18,000</i>
Planning, Housing & Transport				
Implementation	15	20,000	10,000	-10,000
Monitoring	16	113,500	111,000	-2,500
Conformity	17	25,000	25,000	0
Review (Comms/Involvement)	18	20,000	20,000	0
Urban & Rural Renaissance	19	67,000	54,136	-12,864

Increase Partnering/Participation	20	30,000	30,000	0
Black Country Study	21	165,000	285,000	
Transport	22	89,500	59,500	-30,000
RTPP	23	150,000		
Housing	24	20,000	20,300	300
Housing Board	25	0		0
Environment	26	49,500	50,700	1,200
Sustainable Development	27	65,000	68,670	3,670
Economy	28	39,000	39,000	0
Legal Fees & Contingency*	29	5,000	81,724	64,224
<i>Sub Total</i>		<i>858,500</i>	<i>855,030</i>	<i>14,030</i>
Strategic Review	30	50,427	50,427	0
Policy Integration & Development				
Health	31	69,389	69,389	0
Europe & International Policy	32	18,000	16,650	-1,350
Social Inclusion	33	10,000	10,000	0
Culture & Skills	34	5,000	10,320	5,320
Rural	35	10,000	10,000	0
WMRO State of Region	36	25,000	25,000	0
<i>Sub Total</i>		<i>137,389</i>	<i>141,359</i>	<i>3,970</i>
Other Activities				
Forestry	37	60,998	71,012	
Regional Energy	38	231,412	240,412	
Other Projects	39		52,204	
<i>Sub Total</i>		<i>292,410</i>	<i>363,628</i>	<i>0</i>
Total		2,583,876	2,637,594	0
Transfer to WMRA Reserve			20,901	

*Estimated Legal Contingency Fund to be carried forward to 2006-07 is £61,249