

7 October 2016



NEIGHBOURHOOD SERVICES QUARTER 1 REVENUE & CAPITAL OUTTURN 2016 / 2017

Report of Regeneration and Local Services Management Team

Purpose of the report

- 1 To set out details of the forecast outturn as at Quarter 1 for 2016/17, highlighting variances against revenue and capital budgets for Neighbourhood Services.

Executive Summary

- 2 The Q1 forecast for the 2016/17 Revenue Outturn for Neighbourhood Services was under budget against the cash limit by £0.669 million. This takes into account adjustments for sums outside the cash limit such as redundancy costs which are met from the strategic reserves, and use of / contributions to earmarked reserves.
- 3 The Q1 forecast for the 2016/17 Capital Outturn is currently estimated to be in line with the budget.

Neighbourhood Services Revenue 2016/2017

- 4 The summary of the revenue outturn position, is shown in the following table analysed by Head of Service:

| Head of Service | Revised Base Budget 2016/17 £'000 | QTR 1 Report | | | Cash limit Variance Over/ (Under) £'000 |
|-----------------------|---|---|---------------------------------------|--|---|
| | | Quarter 1 Forecast (Apr-Jun) £'000 | Variance Over/ (Under) £'000 | Reserves / outside cash limit £'000 | |
| Central Costs | 1,431 | 1,436 | 5 | 0 | 5 |
| Direct Services | 36,053 | 36,453 | 400 | (823) | (423) |
| Env, Health & C. Prot | 5,122 | 4,778 | (344) | 118 | (226) |
| Proj & Business Serv | 16,679 | 16,714 | 35 | (72) | (37) |
| Culture & Sport | 19,353 | 19,941 | 588 | (577) | 11 |
| Technical Services | 27,691 | 28,533 | 842 | (842) | 0 |
| Total | 106,329 | 107,855 | 1,527 | (2,196) | (669) |

- 5 The forecast revenue outturn for 2016/17 is under budget against the cash limit by £0.669 million, after taking account of the forecast use of reserves, and items outside the cash limit.

- 6 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across Neighbourhoods to remain within the cash limit. The main reasons accounting for the outturn position are shown below:
- Within Direct Services, there is an overall underspend of £0.423 million which is due to the early achievement of MTFP savings in respect of future years mainly relating to Clean & Green and Facilities Management.
 - Technical Services is showing a break-even position. This is mainly due to additional surplus within Design Services (£0.474 million) and Highways Operations (£0.635 million) which is being offset by a net overspend of approximately £1.139 million within Highways Services, where the additional surplus on the trading account areas have offset additional policy led expenditure on highways maintenance in relation to Category 1 and 2 defects.
 - Environment, Health and Consumer Protection is projected to underspend by £0.226 million, largely attributable to underspends on employees, supplies and services and transport in Health Protection, Consumer Protection and Environmental Protection.
 - Within Strategic Waste there is an overspend of approximately £0.245 million which is the net effect of an overspend on the waste contracts resulting from increasing tonnages, and savings in other areas of Strategic Waste e.g. increased income from Garden Waste. This net overspend in Strategic Waste is being offset by savings on employee and supplies and services (£0.324 million) across all other areas of Projects & Business Services.
- 7 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the forecasted cash limit reserve to be carried forward for Neighbourhood Services is £3.190 million.

Neighbourhood Services Capital 2016 / 2017

- 8 The following table sets out details of forecast spend for 2016/17 analysed by individual Heads of Service areas within the Neighbourhoods capital programme against the revised budget.

| Head of Service | Revised Budget £'000 | Outturn £'000s | Variance £'000s |
|------------------------------|-------------------------|-------------------|--------------------|
| Direct Services | 1,894 | 1,894 | 0 |
| Projects & Business Services | 11,776 | 11,776 | 0 |
| Culture and Sport | 3,055 | 3,055 | 0 |
| Technical Services | 28,500 | 28,500 | 0 |
| Total | 45,225 | 45,225 | 0 |

- 9 As at 31 March 2016, the NS Capital Programme for 2016/17 was £44.188m. The capital budget has subsequently been adjusted at MOWG meetings during the year as a result of additional funding sources being identified, and this has now resulted in a revised 2016/17 Capital Programme of £45.224m. It is currently anticipated that the full budget of £45.224m will be spent in 2016/17.

Recommendations

- 10 It is recommended that:

- Overview and Scrutiny note the Quarter 1 forecast outturn position on Revenue and Capital for 2016/17.

| | | | |
|-----------------|---------------------|-------------|---------------------|
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APPENDIX 1 - Implications

Finance

To set out details of the Q1 forecast outturn, highlighting areas of over / underspend against the revenue and capital budgets for Neighbourhood Services, at each Head of Service level and for the whole of Neighbourhood Services.

Staffing

There are no implications associated with this report.

Risk

There are no implications associated with this report.

Equality and Diversity/Public Sector Equality Duty

There are no implications associated with this report.

Accommodation

There are no implications associated with this report.

Crime and Disorder

There are no implications associated with this report.

Human Rights

There are no implications associated with this report.

Consultation

There are no implications associated with this report.

Procurement

There are no implications associated with this report.

Disability Issues

There are no implications associated with this report.

Legal Implications

There are no implications associated with this report.