

2 October 2014

**NEIGHBOURHOOD SERVICES QUARTER 1  
REVENUE & CAPITAL OUTTURN 2014 / 2015**

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**Report of Neighbourhood Services Management Team**

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**Purpose of the report**

- 1 To set out details of the forecast outturn as at Quarter 1 for 2014/15, highlighting variances against revenue and capital budgets for Neighbourhood Services.

**Executive Summary**

- 2 The Q1 forecast for the 2014/15 Revenue Outturn for Neighbourhood Services was under budget against the cash limit by £0.486m. 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 2014/15 Capital Outturn is currently estimated to be in line with the budget.

**Neighbourhood Services Revenue 2014/2015**

- 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 2014/15 £'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	1,318	1,325	7	0	7
Direct Services	37,535	38,240	706	(1,049)	(343)
Env, Health & C. Prot	5,862	6,067	205	(286)	(81)
Proj & Business Serv	15,453	16,750	1,297	(997)	300
Culture & Sport	22,593	23,831	1,238	(1,195)	43
Technical Services	27,325	28,161	836	(1,248)	(412)
<b>Total</b>	<b>110,086</b>	<b>114,374</b>	<b>4,289</b>	<b>(4,775)</b>	<b>(486)</b>

- 5 The forecast revenue outturn for 2014/15 is under budget against the cash limit by £0.486m, after taking account of the forecast use of reserves, and items outside the cash limit.

- 6 Since the original budget was presented to Council, the Neighbourhoods revenue budget has been adjusted to take into account the transfer of Community Safety functions from CAS (£0.417m), a reduction relating to the Fleet Review savings (£0.386m), which has been transferred to corporate contingencies, and some minor transfers between Neighbourhood Services and other Service Groupings.
- 7 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 are underspends on premises costs relating to Admin Buildings (£0.173m), underspends within Street Scene (£0.145m) and an increased surplus within Building Services (£0.180m) related to trading activity.
  - There are increased surpluses of approximately £0.350m within Technical Services in relation to Highways Services' trading activity, including the Design Service.
  - There are underspends of £81k within Environmental Health and Consumer Protection associated with savings on employees and supplies and services. Some of these underspends relate to early achievement of 2015/16 MTFP savings requirements.
  - There is a forecast overspend of £0.437m within Strategic Waste primarily due to additional costs associated with the Materials Recycling Facility contract for processing of Dry Kerbside Recycling materials and reduced income in this area.
- 8 The forecast outturn is net of expenditure that is being treated as being outside the cash limit, and also the use of earmarked reserves. Details of these are as follows;
- Additional work of £0.411m relating to clearing a backlog of principal Inspections on Bridges is being treated as outside the cash limit.
  - Additional price inflation of £0.235m relating to Waste Disposal Contracts is being treated as outside the cash limit.
  - The cash limit underspend also takes account of the planned use of £3.919m of earmarked reserves during 2014/15. These mainly relate to one off revenue costs associated with; Culture and Sport MTFP savings, Street Cleaning, Waste Disposal and Collection, IT systems development, and the Transport Asset Management Plan.
- 9 At this stage of the year, there are two specific areas of overspend that are planned to be mitigated by the use of Neighbourhood Services' cash limit reserve. These are in respect of the delayed savings from the Culture and Sport restructure (£0.180m), and also a delayed MTFP saving relating to a reduction in the Leisure-Works contract (£50k).
- 10 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 £2.908m

## Neighbourhood Services Capital 2014 / 2015

- 11 The following table sets out details of forecast spend for 2014/15 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
EH&CP	0	0	0
Direct Services	5,779	5,779	0
P & B Services	9,566	9,566	0
Culture and Sport	3,597	3,597	0
Technical Services	29,626	29,626	0
<b>Total</b>	<b>48,568</b>	<b>48,568</b>	<b>0</b>

As at 31 March 2014, the NS Capital Programme for 2014/15 was £41.799m. Re-profiling of budget from 2013/14 of £5.351m was then agreed at the Capital Member/Officer Working Group on 22 May 2014. This resulted initially in a revised budget of £47.150m.

- 12 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 2014/15 Capital Programme of £48.568m. It is currently anticipated that the full budget of £48.568m will be spent in 2014/15.

## Recommendations

- 13 It is recommended that:
- Environment and Sustainable Communities Overview and Scrutiny Committee note the Quarter 1 forecast outturn position on Revenue and Capital for 2014/15.

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## **APPENDIX 1 - Implications**

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### **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.