

2 October 2014



**NEIGHBOURHOOD SERVICES QUARTER 4
REVENUE & CAPITAL OUTTURN 2013 / 2014**

Report of Neighbourhood Services Management Team

Purpose of the report

- 1 To set out details of the final outturn for 2013/14, highlighting variances against revenue and capital budgets for Neighbourhood Services.

Executive Summary

- 2 The final 2013/14 Revenue Outturn for Neighbourhood Services was under budget against the cash limit by £0.966m. 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 final 2013/14 Capital Outturn for Neighbourhood Services was under budget by £4.632m

Neighbourhood Services Revenue 2013/14

- 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 2013/14 £'000	QTR 4 Report			Cash limit Variance Over/ (Under) £'000
		Final Outturn 2013/14 £'000	Variance Over/ (Under) £'000	Reserves / outside cash limit £'000	
Central Costs	1,499	977	(522)	230	(293)
Direct Services	38,300	34,933	(3,367)	2,655	(711)
Env, Health & C. Prot	6,512	6,401	(111)	(165)	(276)
Proj & Business Serv	16,239	15,757	(482)	1,019	537
Culture & Sport	22,726	28,106	5,380	(5,261)	119
Technical Services	24,776	9,863	(14,913)	14,569	(344)
Total	110,051	96,038	(14,013)	13,047	(966)

- 5 The final revenue outturn for 2013/14 was under budget against the cash limit by £0.966m, after taking account of the forecast use of reserves, and items outside the cash limit.

- 6 The cash limit outturn position compares to the previously forecast Quarter 3 position of a cash limit underspend of £0.844m.
- 7 The following section outlines the main reasons for the variance against budget;
- There was an underspend of £0.600m within Technical Services, which was mainly due to a higher than anticipated surplus being generated within the Highways Services trading account. This was a result of increased levels of workload across the year partly due to the extremely mild winter, along with an improvement in efficiency as a result of the review of workforce levels at the end of 2012/13.
 - Within Direct Services, there was an underspend of £0.500m, due to savings in the running costs of council accommodation, and an increased surplus within the Building Services trading account.
 - An overspend of £0.500m within Strategic Waste was due to higher than anticipated one off costs associated with maintaining landfill gas power generation equipment, and also a continuing fall in income from the sale of dry recyclates. The fall in income is due to prevailing market conditions and higher than anticipated levels of contamination within the recyclable material that is collected.
 - The Library Service was £0.200m underspent due to savings associated with changes in opening hours and shift patterns brought about by the early implementation of a 2014/15 MTFP saving.
 - Finally, there was an underspend of approximately £0.200m within the Environment, Health and Consumer Protection service due to savings in employees and supplies and services. A significant proportion of this is due to the early achievement of MTFP savings planned for 2014/15.
- 8 Further to the quarter 3 forecast outturn report, the following items have been excluded from the outturn in arriving at the cash limit:
- £3.377m – relates to contributions to and from earmarked reserves and cash limits to support specific projects in 2013/14 and 2014/15, including a £0.454m use of earmarked reserves to support one off expenditure in Culture and Sport; a £1.511m contribution to earmarked reserves in respect of Highways, Waste Disposal, and Environmental Health; a £1.115m contribution to earmarked reserves in respect of Buildings and Grounds Maintenance, and Street Cleaning; and a £0.350m contribution to earmarked reserves for Customer Services. Neighbourhood Services has utilised £0.495m from its cash limit reserve during the financial year.
 - An additional underspend (against the quarter 3 forecast) on Winter Maintenance activities of £0.312m. In previous years, any overspends on Winter Maintenance have been treated as outside the cash limit. The 2014/15 budget has been increased by £1.3m and an earmarked reserve is being created corporately at year end to better manage these costs within the Neighbourhoods cash limit in future years. The Winter Maintenance Reserve established at year end is £1m and this will be utilised in future years in severe winter events should the increased budget be insufficient to meet the unavoidable costs in this area.
 - £9.671m relates to a range of adjustments associated with capital charges, centralised repairs and maintenance and central administration.

- 9 Taking the outturn position into account, the Cash Limit Reserve to be carried forward for Neighbourhood Services is £2.782m, although it should be noted that there is pre-committed planned use of this reserve of £0.360m across the MTFP 4 period.

Neighbourhood Services Capital 2013/2014

- 10 The following table sets out details of final spend for 2013/14 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	14	0	(14)
Direct Services	4,082	1,967	(2,115)
P & B Services	848	367	(481)
Culture and Sport	2,043	1,603	(440)
Technical Services	23,736	22,154	(1,582)
Total	30,722	26,090	(4,632)

- 11 The 2013/14 capital spend for Neighbourhood Services was £26.090m against a revised budget of £30.722m, which is a £4.632m underspend for the year. The main reasons accounting for the outturn position are as follows:
- Direct Services – Underspend £2.115m. The underspend primarily relates to delays in the implementation of the Garden Waste scheme, which delayed the procurement of wheeled bins and also procurement issues connected with vehicles and plant led to delays in delivery and an associated underspend of £0.886m. Outstanding work on Bereavement and Environmental Improvement schemes expected to be completed in 2013/14 is now due for completion in 2014/15.
 - Culture and Sport – Underspend £0.440m. The delay in notification of HLF grant connected with the restoration of Wharton Park delayed progress and contributed to the majority of the Culture and Sport underspend.
 - Projects and Business – Underspend £0.481m. Improvements to the Waste Transfer Stations previously expected to be completed in 2013/14 are now scheduled for completion in 2014/15.
 - Technical Services – Underspend £1.582m. Primarily due to several projects spanning multiple financial years where works have been committed in 2013/14 but will be completed in 2014/15.
 - Environmental Health and Consumer Protection – Underspend £0.014m. Development of single integrated environmental health system was completed under budget – the residual budget is not required and can be released to capital contingencies.

Recommendations

12 It is recommended that:

- Members of Environment and Sustainable Communities Overview and Scrutiny Committee note the final outturn position on Revenue and Capital for 2013/14.

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APPENDIX 1 - Implications

Finance

To set out details of the final outturn for 2013/14, 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.