

20 January 2015



NEIGHBOURHOOD SERVICES QUARTER 2 REVENUE & CAPITAL OUTTURN 2014 / 2015

Report of Neighbourhood Services Management Team

Purpose of the Report

- 1 To set out details of the forecast outturn as at Quarter 2 for 2014/15, highlighting variances against revenue and capital budgets for Neighbourhood Services.

Executive Summary

- 2 The Q2 forecast for the 2014/15 Revenue Outturn for Neighbourhood Services was under budget against the cash limit by £0.820m. 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 Q2 forecast for the 2014/15 Capital Outturn identified schemes to the value of £3.501m which are required to slip in to 2015/16.

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 2 Report			Cash limit Variance Over/ (Under) £'000
		Quarter 2 Forecast (Apr-Sep) £'000	Variance Over/ (Under) £'000	Reserves / outside cash limit £'000	
Central Costs	1,570	1,544	(26)	0	(26)
Direct Services	38,383	37,591	(792)	239	(553)
Env, Health & C. Prot	6,132	5,817	(315)	0	(315)
Proj & Business Serv	16,332	16,754	422	(44)	378
Culture & Sport	23,793	23,744	(49)	(85)	(134)
Technical Services	28,224	28,106	(118)	(52)	(170)
Total	114,434	113,556	(878)	58	(820)

- 5 The forecast revenue outturn for 2014/15 is under budget against the cash limit by £0.820m, after taking account of the forecast use of reserves, and items outside the cash limit. This compares to the previous forecast at Quarter 1, which was under budget by £0.486m.

- 6 Since Quarter 1 the Neighbourhoods revenue budget has been adjusted to take into account the movement in reserves that were agreed at the end of June 2014.
- 7 The forecast variance is a managed position, reflecting the proactive management of activity by Heads of Service across Neighbourhoods to remain within the cash limit.
- 8 The main reasons accounting for the outturn position are as follows:
- Within Direct Services there is an increased surplus within Building Services of £0.130m, and premises costs are under budget for Admin Buildings (£0.173m), and Depots (£0.261m).
 - The outturn forecast within Technical Services is under budget by £0.170m. The trading areas in Highway and Design Services are generating increased surpluses but these are offsetting increased policy led expenditure on highway maintenance in relation to Category 1 and Category 2 defects (£0.450m), structures inspections (£0.400m) and gully cleansing (£0.300m). Category 1 and Category 2 defects are identified from Highway Safety Inspections and repairs are required in accordance with our Highway Safety Inspection Manual and our Highway Maintenance Plan which are aligned with national standards. Similarly, the increased expenditure on structures' inspections and gully cleansing is to meet the Highway Maintenance Plan which is aligned with national standards.
 - Environmental Health and Consumer Protection is under budget by £0.315m and this is associated with savings on employees and supplies and services. Some of these variances relate to early achievement of 2015/16 MTFP savings requirements.
 - Projects and Business Services is forecast to be over budget by approximately £0.378m. This is due to Strategic Waste being over budget by £0.435m mainly due to additional costs associated with the Materials Recycling Facility contract for processing of Dry Kerbside Recycling materials, and increased repairs and maintenance costs associated with Power Generation equipment. This is partially offset by savings within Business Support and Policy, Performance and Communications.
- 9 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 £3.102m.

Neighbourhood Services Capital 2014 / 2015

- 10 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	5,799	5,779	0
P & B Services	11,566	9,566	(2,000)
Culture and Sport	3,785	3,785	0
Technical Services	29,692	28,191	(1,501)
Total	50,842	47,341	(3,501)

- 11 The capital budget has been adjusted at MOWG meetings since Q1 as a result of additional funding sources being identified, and this has now resulted in a revised 2014/15 Capital Programme of £50.842m
- 12 The following two schemes have been identified as being required to slip in to 2015/16;
- Work at Seaham Pier (£1.501m) will now be carried out in 2015/16
 - The implementation of a new Customer Relations Management System (£2m) will occur in 2015/16

Recommendations

- 13 It is recommended that:
- Overview and Scrutiny note the Quarter 2 forecast outturn position on Revenue and Capital for 2014/15.

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APPENDIX 1 - Implications

Finance

To set out details of the Q2 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.