

17 April 2015



## NEIGHBOURHOOD SERVICES QUARTER 3 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 3 for 2014/15, highlighting variances against revenue and capital budgets for Neighbourhood Services.

#### Executive Summary

- 2 The Q3 forecast for the 2014/15 Revenue Outturn for Neighbourhood Services was under budget against the cash limit by £1.105m. 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 Q3 forecast for the 2014/15 Capital Outturn identified schemes to the value of £8.222m 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 3 Report			Cash limit Variance Over/ (Under) £'000
		Quarter 3 Forecast (Apr-Dec) £'000	Variance Over/ (Under) £'000	Reserves / outside cash limit £'000	
Central Costs	2,781	2,991	210	0	210
Direct Services	38,503	37,503	(1,000)	276	(724)
Env, Health & C. Prot	6,165	5,886	(279)	78	(201)
Proj & Business Serv	16,415	14,903	(1,512)	1,775	263
Culture & Sport	23,892	22,114	(1,778)	1,603	(175)
Technical Services	28,482	26,100	(2,382)	1,904	(478)
<b>Total</b>	<b>116,238</b>	<b>109,497</b>	<b>(6,741)</b>	<b>5,636</b>	<b>(1,105)</b>

- 5 The forecast revenue outturn for 2014/15 is under budget against the cash limit by £1.105m, after taking account of the forecast use of reserves, and items outside the cash limit. This compares to the previous forecast at Quarter 2, which was under budget by £0.820m.

- 6 Since Quarter 2 the Neighbourhoods revenue budget has been adjusted to take into account the movement in reserves that were agreed at the end of September 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, premises costs relating to Admin Buildings are under budget by £0.293m. In addition there are additional savings of £0.440m throughout Direct Services due to the early delivery of 2015/16 MTFP savings.
  - The outturn forecast within Technical Services is under budget by £0.478m. The trading areas in Highway and Design Services are generating increased surpluses of approximately £3m but these are offsetting increased policy led expenditure on highway maintenance in relation to Category 1 and Category 2 defects along with general maintenance around patching, drainage and footways (£0.900m). The trading surpluses are also covering off increased expenditure on Bridge Inspections (£0.400m), gully cleansing (£0.300m) and Street Lighting Column Replacements (£1m). 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 bridges inspections and gully cleansing is to meet the Highway Maintenance Plan which is aligned with national standards.
  - Environment, Health and Consumer Protection is under budget by £0.201m 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 £0.263m. Strategic Waste is forecast to be over budget by £0.319m 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, but 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 £3.236m.

### **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.

<b>Head of Service</b>	<b>Revised Budget £'000</b>	<b>Outturn £'000s</b>	<b>Variance £'000s</b>
EH&CP	0	0	0
Direct Services	5,799	4,464	(1,335)
P & B Services	9,566	6,639	(2,927)
Culture and Sport	3,785	823	(2,962)
Technical Services	28,191	27,193	(998)
<b>Total</b>	<b>47,341</b>	<b>39,119</b>	<b>(8,222)</b>

11 As at Q3 it was identified that there was a need to slip £8.222m in to 2015/16 as a result of delays in a variety of schemes. The details behind this are as follows;

- Vehicles, Plant & Equipment £1.0m
- Bereavement Services £0.4m
- Waste Disposal Infrastructure £2.9m
- Consett Academy – Leisure Centre £0.5m
- Wharton Park £0.4m
- Libraries £1.3m
- Outdoor Play £0.5m
- Seaham Pier £1.1m

## **Recommendations**

12 It is recommended that:

- Overview and Scrutiny note the Quarter 3 forecast outturn position on Revenue and Capital for 2014/15.

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<b>Contact:</b>	<b>Terry Collins</b>	<b>Tel:</b>	<b>03000 268080</b>
	<b>Phil Curran</b>	<b>Tel:</b>	<b>03000 261967</b>

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## **APPENDIX 1 - Implications**

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### **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.