

12 October 2015



NEIGHBOURHOOD SERVICES QUARTER 1 REVENUE & CAPITAL OUTTURN 2015 / 2016

Report of Neighbourhood Services Management Team

Purpose of the report

- 1 To set out details of the forecast outturn as at Quarter 1 for 2015/16, highlighting variances against revenue and capital budgets for Neighbourhood Services.

Executive Summary

- 2 The Q1 forecast for the 2015/16 Revenue Outturn for Neighbourhood Services was under budget against the cash limit by £0.576m. 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 2015/16 Capital Outturn is currently estimated to be in line with the budget.

Neighbourhood Services Revenue 2015/2016

- 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 2015/16 £'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	1,350	1,356	6	0	6
Direct Services	36,776	36,984	209	(1,021)	(812)
Env, Health & C. Prot	5,399	5,339	(60)	(132)	(192)
Proj & Business Serv	15,852	17,989	2,137	(1,750)	387
Culture & Sport	18,350	18,850	500	(500)	0
Technical Services	25,779	26,074	295	(260)	35
Total	103,506	106,592	3,087	(3,613)	(576)

- 5 The forecast revenue outturn for 2015/16 is under budget against the cash limit by £0.576m, 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:
- Direct Services are forecast to be under budget by £0.812m. £0.481m of this relates to underspends on premises costs relating to Admin Buildings closing early as part of the office accommodation programme, which are achieving MTFP savings in 2016/17 earlier than originally planned, together with a further £0.631m of other 2016/17 MTFP savings being achieved early. These underspends are offset by a managed overspend of £0.300m relating to investment in cemetery repairs and maintenance, where Neighbourhoods are investing in improvements rather than making a bid for capital resources.
 - Technical Services is showing a balanced position in 2015/16, with a small overspend outturn position of £0.035m being reported. Within this there are savings on employee costs within Design Services and additional surplus on the trading account areas of £0.241m forecast, which have offset overspends on utility costs and increased activity in the non-trading areas, particularly relating to policy led expenditure on highways maintenance in relation to Category 1 and 2 defects.
 - Environment, Health and Consumer Protection is projected to underspend by £0.192m, largely attributable to underspends on employees, supplies and services and transport in Health Protection, Consumer Protection and Environmental Protection.
 - Projects and Business Support is forecast to overspend by a net £0.387m, primarily due to significant increases in the Materials Recycling Facility (MRF) costs within the Strategic Waste (£1.2m) which are as a result of a national reduction in the market value of recycled materials and therefore outside the control of the Council, together with reduced income from power generation at Joint Stocks (£0.2m) as a result of changes to the Climate Change Levy introduced in the July Budget. These overspends are being offset by savings on the waste disposal budgets (£476k) and underspends on employee and supplies and services across all other areas of the service. The £0.2m budget pressure in relation to power generation has been treated as outside the cash limit.
- 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 £5.442m

Neighbourhood Services Capital 2015 / 2016

- 8 The following table sets out details of forecast spend for 2015/16 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	4,138	4,138	0
Projects & Business Services	10,223	10,223	0
Culture and Sport	5,914	5,914	0
Technical Services	28,229	28,229	0
Total	48,504	48,504	0

As at 31 March 2015, the NS Capital Programme for 2015/16 was £39.119m. Re-profiling of budget from 2014/15 of £7.237m was then agreed at the Capital Member/Officer Working Group on 22 May 2015. This resulted initially in a revised budget of £46.356m.

- 9 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 £48.504m. It is currently anticipated that the full budget of £48.504m will be spent in 2015/16.

Recommendations

- 10 It is recommended that:
- Overview and Scrutiny note the Quarter 1 forecast outturn position on Revenue and Capital for 2015/16.

Contact:	Terry Collins	Tel:	03000 268080
	Phil Curran	Tel:	03000 261967

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.