

Overview and Scrutiny

24 January 2017



FORMER NEIGHBOURHOOD SERVICES QUARTER 2 REVENUE & CAPITAL OUTTURN 2016 / 2017

Report of Regeneration & Local Services Management Team

Purpose of the report

- 1 To set out details of the forecast outturn as at Quarter 2 for 2016/17, highlighting variances against revenue and capital budgets for former Neighbourhood Services.

Executive Summary

- 2 The Q2 forecast for the 2016/17 Revenue Outturn for former Neighbourhood Services was under budget against the cash limit by £0.864 million. 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 2016/17 Capital Outturn is currently estimated to be in line with the budget.

Former Neighbourhood Services Revenue 2016/2017

- 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 2016/17 £'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	1,426	1,433	7	0	7
Direct Services	36,872	36,359	(513)	(187)	(700)
Env, Health & C. Prot	5,005	4,917	(88)	(51)	(139)
Proj & Business Serv	16,755	16,442	(313)	(27)	(340)
Culture & Sport	19,914	21,345	1,432	(1,108)	324
Technical Services	28,533	28,831	298	(314)	(16)
Total	108,505	109,327	823	(1,687)	(864)

- 5 The forecast revenue outturn for 2016/17 is a cash limit under spend of £0.864 million, after taking account of the forecast use of reserves and items outside the cash limit. This compares to a cash limit underspend forecast at quarter one of £0.669 million.

6 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across former Neighbourhood Services to remain within the cash limit. The main reasons accounting for the outturn position are shown below:

- Within Direct Services, there is an overall underspend of £0.700 million forecast. This is mainly due to the early achievement of future years' MTFP savings (£0.393 million), and increased income relating to Trade and Bulky Waste (£0.440 million) which is being offset by delayed 2016/17 savings relating to Fleet (£89,000).
- Technical Services is showing a small underspend of £16,000. This the net position and includes an overspend of approximately £1.1 million within Highways Services, due to additional policy led expenditure on highways maintenance mainly in relation to Category 1 and 2 defects, and footway maintenance, which is being offset by additional surpluses generated within Design Services (£0.266 million) and Highways Operations (£0.914 million).
- Environment, Health and Consumer Protection is projected to underspend by £0.139 million, largely attributable to underspends on employees and premises in Health Protection.
- Within Projects & Business Services there is an underspend of £0.340 million, which is mainly due to savings on employee costs within Business Support and Customer Services.
- Culture & Sport is projected to overspend by £0.324 million. This is due to both reduced income and increased costs amounting to £0.506 million at the Gala Theatre, along with an overspend of £48,000 associated with the appointment of an additional Tier 4 post within the service. These overspends are partially offset by savings on leisure facilities of £0.230 million.

7 In arriving at the forecast outturn position £1.687 million relating to contributions to and from reserves and cash limits have been excluded from the outturn. The major elements include:

- £0.273 million drawn down from the MTFP redundancy reserve
- a net use of earmarked reserves and cash limits to support specific projects in 2016/17, including a £0.314 million use of earmarked reserves to support one off expenditure in Highways; a £0.200 million use of earmarked reserves in respect of Refuse Collection and Fleet, and a £0.800 million use of earmarked reserves in Culture & Sport. This latter element specifically relates to externally funded projects (£0.400 million), Lumiere festival (£0.2 million), and World War I commemorations (£0.2 million).

8 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 former Neighbourhood Services is £1.391 million.

Former Neighbourhood Services Capital 2016 / 2017

- 9 The following table sets out details of forecast spend for 2016/17 analysed by individual Heads of Service areas within the former Neighbourhoods capital programme against the revised budget.

Head of Service	Revised Budget £'000	Outturn £'000s	Variance £'000s
Direct Services	2,011	2,011	0
Projects & Business Services	11,633	11,633	0
Culture and Sport	3,911	3,911	0
Technical Services	30,266	30,266	0
Total	47,821	47,821	0

- 10 As at 31 March 2016, the former NS Capital programme for 2016/17 was £44.188m. 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 2016/17 Capital Programme of £47.821m. It is currently anticipated that the full budget of £47.821m will be spent in 2016/17.

Recommendations

- 11 It is recommended that:
- Overview and Scrutiny note the Quarter 2 forecast outturn position on Revenue and Capital for 2016/17.

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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.