

Overview and Scrutiny

13 April 2017



FORMER NEIGHBOURHOOD SERVICES QUARTER 3 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 3 for 2016/17, highlighting variances against revenue and capital budgets for former Neighbourhood Services.

Executive Summary

- 2 The Q3 forecast for the 2016/17 Revenue Outturn for former Neighbourhood Services was under budget against the cash limit by £0.888 million. This takes into account adjustments for sums outside the cash limit such as redundancy costs that are met from strategic reserves, and use of / contributions to earmarked reserves.
- 3 The Q3 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 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	1,410	1,418	8	0	8
Direct Services	37,088	35,687	(1,401)	1,048	(353)
Proj & Business Serv	16,801	16,254	(547)	(102)	(649)
Culture & Sport	21,028	21,229	202	(114)	88
Technical Services	28,829	28,594	(235)	253	18
Total	105,156	103,182	(1,973)	1,085	(888)

- 5 The forecast revenue outturn for 2016/17 is a cash limit under spend of £0.888 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 two of £0.864 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 £0.353 million forecast. This is mainly due to the early achievement of future years' MTFP savings (£0.350 million), and increased income relating to Trade and Bulky Waste (£0.278 million) which is being offset by short term overspends due to the re-organisation of refuse collection rounds and new trade bin purchases (£0.188m), along with delayed 2016/17 savings relating to Fleet (£0.089m).
 - Within Projects & Business Services there is an underspend of £0.649 million, which is mainly due to savings on employee costs within Business Support (£0.193m), Customer Services (£0.166m), Policy & Performance (£0.054m) and also savings within the Strategic Waste area (£0.221m). These savings within Strategic Waste are made up of an overspend on Waste Contracts of £0.331m, and underspends on Garden Waste (£0.268m) and the Joint Stocks and Environmental Monitoring teams (£0.284m).
 - Culture & Sport is projected to overspend by £0.088 million. This is due to both reduced income and increased costs amounting to £0.179 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 and libraries facilities of £0.109 million.
 - Technical Services is showing a small overspend of £18,000. This is the net position and includes an overspend of approximately £1.0 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. This is being offset by additional surpluses generated within Design Services (£0.200 million) and Highways Operations (£0.600 million), and early achievement of 17/18 MTFP savings (£0.200m).
- 7 In arriving at the forecast outturn position £1.085 million relating to contributions to and from reserves and cash limits have been excluded from the outturn. The major elements include:
- £0.256 million drawn down from the MTFP redundancy reserve
 - a net contribution to earmarked reserves and cash limit reserve to support specific projects in 2017/18, including a £0.333 million contribution to earmarked reserves in respect of Winter Maintenance; and a £1.1 million contribution to earmarked reserves in respect of Building maintenance, Street Cleaning, Refuse Collection and Fleet.
- 8 Taking the projected outturn position into account, including items proposed to be treated as outside the cash limit, the forecasted cash limit reserve for the new combined Regeneration & Local Services Service Grouping to be carried forward is £5.217 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	2,902	2,902	0
Projects & Business Services	7,446	7,446	0
Culture and Sport	3,641	3,641	0
Technical Services	28,240	28,240	0
Total	42,229	42,229	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 £42.229m. It is currently anticipated that the full budget of £42.229m will be spent in 2016/17.

Recommendations

- 11 It is recommended that:
- Overview and Scrutiny note the Quarter 3 forecast outturn position on Revenue and Capital for 2016/17.

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APPENDIX 1 - Implications

Finance

To set out details of the Q3 forecast outturn, highlighting areas of over / underspend against the revenue and capital budgets for former Neighbourhood Services, at each Head of Service level and for the whole of former 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.