

**23 January 2018**



**REGENERATION & LOCAL SERVICES QUARTER  
2 REVENUE & CAPITAL OUTTURN 2017 / 2018**

**Joint Report of Corporate Director, Resources and Corporate Director,  
Regeneration & Local Services**

**Purpose of the report**

1. In September 2016 the former Neighbourhoods, and Regeneration and Economic Development (RED) service areas combined to form Regeneration and Local Services. The former Neighbourhoods service areas report to this committee while the former RED service areas report to the Economy & Enterprise Scrutiny Committee.
2. To provide details of the outturn budget position for the former Neighbourhoods service grouping highlighting major variances in comparison with the budget.

**Executive Summary**

- 3 The Q2 forecast for the 2017/18 Revenue Outturn for former Neighbourhood Services was under budget against the cash limit by £0.720 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.
- 4 The Q2 forecast for the 2017/18 Capital Outturn is currently estimated to be in line with the budget.

**Revenue 2017/2018**

- 5 The summary of the revenue outturn position, is shown in the following table analysed by Head of Service:

Head of Service	Revised Base Budget 2017/18  £'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	1,671	1,458	(213)	0	(213)
Direct Services	52,944	52,074	(870)	593	(277)
Business Support	2	(84)	(86)	0	(86)
Culture & Sport	20,453	20,387	(66)	(25)	(91)
Technical Services	27,464	27,411	(53)	0	(53)
<b>Total</b>	<b>102,534</b>	<b>101,246</b>	<b>(1,288)</b>	<b>568</b>	<b>(720)</b>

- 6 The forecast revenue outturn for 2017/18 is under budget against the cash limit by £0.720 million, after taking account of the forecast use of reserves, and items outside the cash limit.
- 7 The forecast underspend is a managed position, reflecting the proactive management of activity by Heads of Service across former Neighbourhoods to remain within the cash limit. The main reasons accounting for the outturn position are shown below:
- Direct Services is forecast to be £277,000 underspent. This is mainly due to increased income relating to Trade and Bulky Waste (£0.416 million), and early achievement of 18/19 MTFP savings (£0.400 million) which is partially offset by £0.560 million overspend on waste disposal contracts.
  - Culture & Sport is forecast to underspend by £91,000, due to savings on third party leisure contracts (£70,000), Leisure Centres (122,000), Libraries (£100,000), and Service Development (£59,000). These are partially offset by overspends in Gala Theatre (£260,000).
  - Technical Services is predicted to be £53,000 underspent. This is the net position and takes into account an overspend of £1.3 million within Highway Services, due to additional policy led expenditure on highways maintenance, mainly in relation to Category 1 and 2 defects and footway maintenance. This overspend is however broadly offset by additional surpluses generated within Design Services (£0.400 million), and additional surpluses within Trading activities (£0.900 million).
  - Business Support is forecast to be £86,000 underspent due to savings on vacant posts and reductions in hours.

### Capital 2017 / 2018

- 8 The following table sets out details of forecast spend for 2017/18 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
Direct Services	9,750	9,750	0
Culture and Sport	3,395	3,395	0
Technical Services	33,464	33,464	0
<b>Total</b>	<b>46,609</b>	<b>46,609</b>	<b>0</b>

- 9 As at 31 March 2017, the former NS Capital Programme for 2017/18 was £45.389m. 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 2017/18 Capital Programme of £46.609m. It is currently anticipated that the full budget of £46.609m will be spent in 2017/18.

## Recommendations

10 It is recommended that:

- Overview and Scrutiny note the Quarter 2 forecast outturn position on Revenue and Capital for 2017/18.

---

**Contact: Phil Curran      Tel: 03000 261967**

---

---

## **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 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.