

4 October 2018



**REGENERATION & LOCAL SERVICES QUARTER
1 REVENUE & CAPITAL OUTTURN 2018 / 2019**

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

Purpose of the report

1. To provide details of the outturn budget position for the service areas within Regeneration & Local Services (REAL) that report to this committee. The remaining areas of the service report to the Economy & Enterprise Scrutiny Committee. The report highlights and explains any major variances in comparison with the budget.

Executive Summary

2. The Q1 forecast for the 2018/19 Revenue Outturn for those services within REAL that report to this committee was under budget against the cash limit by £0.175 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 Q1 forecast for the 2018/19 Capital Outturn is currently estimated to be in line with the budget.

Revenue 2018/2019

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 2018/19 £'000	QTR 1 Report			Cash limit Variance Over/ (Under) £'000
		Quarter 1 Forecast (Apr-June) £'000	Variance Over/ (Under) £'000	Reserves / outside cash limit £'000	
Central Costs	1,774	1,774	0	0	0
Direct Services	44,609	45,511	902	(582)	320
Business Support	2,536	2,437	(99)	0	(99)
Culture & Sport	12,149	11,733	(416)	124	(292)
Technical Services	10,584	10,539	(45)	0	(45)
Env Health & Consumer Protection	3,803	3,744	(59)	0	(59)
Total	75,455	75,738	283	(458)	(175)

- 5 The forecast revenue outturn for 2018/19 is under budget against the cash limit by £0.175 million, after taking account of the forecast use of reserves, and items outside the cash limit.
- 6 The main reasons accounting for the outturn position are shown below:
- Direct Services is forecast to be £0.320 million overspent. This is mainly due to reduced power generation income at the Joint Stocks landfill site of £200,000, unachieved Fleet MTFP savings of £216,000, unachieved Clean & Green MTFP savings of £73,000, essential depot repairs of £47,000 and costs relating to closed admin buildings not yet disposed of £49,000. These overspends are partially offset by additional garden waste income of £259,000, which will help towards 19/20 MTFP savings.
 - Culture & Sport is forecast to underspend by £0.293 million. There has been additional income of £0.530m relating to a change in the VAT treatment of Leisure income, but this has been partially offset by a £0.240million compensation to the 3rd party contractor that operates Peterlee Leisure Centre. The compensation was for an income shortfall due to refurbishment works at the facility.
 - Technical Services is forecast to be £44,000 underspent. There is a break even position in Highways Services, which takes into account an overspend of £1.298m due to additional policy led expenditure on highways maintenance, mainly in relation to Category 1 and 2 defects and footway maintenance. This overspend is offset by additional surpluses generated within Highways Services Trading Accounts of £1.296m. Design Services and PPM have a net underspend of £81,000 due to employee savings partially offset by reduced income. Strategic Highways has a net overspend of £32,000 with employee savings of £223,000 largely offset by increased spend on Agency costs relating to condition surveys.
 - Business Support is forecast to be £100,000 underspent due to savings on vacant posts and reductions in hours.

Capital 2018 / 2019

- 8 The following table sets out details of forecast spend for 2018/19 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	5,887	5,887	0
Culture and Sport	2,878	2,878	0
Technical Services	27,194	32,867	0
Env Health & Cons Protection	150	150	0
Total	36,109	36,109	0

- 9 As at 31 March 2018, the capital programme for 2018/19 was £34.773m. The capital budget has subsequently been adjusted at MOWG meetings during the year as a result of additional funding sources being identified, along with virements in to future years, and this has now resulted in a revised 2018/19 Capital Programme of £36.109m. It is currently anticipated that the full budget of £36.109m will be spent in 2018/19.

Recommendations

- 10 It is recommended that:
- Overview and Scrutiny note the Quarter 1 forecast outturn position on Revenue and Capital for 2018/19.

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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 the service areas within Regeneration and Local Services that report to this committee.

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.