

Neighbourhoods Scrutiny

31st March 2017



Report of: Strategic Director, Neighbourhoods

Title: Period 9 (end of December) Finance Report - Neighbourhoods Summary Report

Ward: Citywide

Officer Presenting Report: Strategic Director, Neighbourhoods: Alison Comley

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Recommendation

To note the Neighbourhoods revenue budget position summarised in this report as per the Period 9 Finance report as considered by Cabinet 8 March 2017.

Summary

This report sets out the general fund revenue budget position for Neighbourhoods and the revenue budget positions for both the ring-fenced Public Health Grant and the Housing Revenue Account for financial year 2016/17, as reported to Cabinet at period 9 (end of December 2016).

The significant issues in the report are:

As at period 9 Neighbourhoods forecast a £2.1m underspend in relation to its general fund revenue budget.



Policy

1. *not applicable*

Consultation

2. **Internal**
The Period 9 Finance report includes Directorate Leadership Team , Strategic Leadership Team and Cabinet
3. **External**
not applicable

Context

Table 1 of Appendix A to the Period 9 Finance report has been reproduced below and sets out the general fund revenue budget position for the Neighbourhoods directorate within the context of the Council's overall general fund revenue budget position for financial year 2016/17 as reported at period 9 (end of December 2016).

Table 1: General Fund Forecast Net Expenditure

General Fund Revenue Budgets - Period 9			Forecast Outturn Variance (Under)/Over Spend	Forecast Outturn Variance at Period 7	
Directorate	Net Budget £m	Forecast Outturn £m	£m	£m	
People	206.1	220.1	14.0	13.2	↑
Place	17.2	20.0	2.8	6.3	↓
Neighbourhoods	69.1	67.0	-2.1	-0.4	↓
Resources	25.6	28.5	2.8	3.1	↓
City Director	6.9	6.6	-0.3	-0.4	↓
Corporate Savings Programme (Net Budget)	-8.7	1.8	10.5	10.5	
SUB TOTAL – SPENDING ON SERVICES	316.2	343.9	27.7	32.7	↓
Other Budgets *	29.6	15.3	-14.3	-13.4	↓
Released from Reserves	0.0	-2.4	-2.4	-2.4	↓
TOTAL	345.8	356.8	11.0	16.9	↓

*Other Budgets includes capital financing & borrowing costs, un-apportioned central overheads and contingencies.

As at period 9 Neighbourhoods was forecasting a £2.1m underspend in relation to its general fund revenue budget.

Proposal

Section 13.3 of Appendix A to the Period 9 Finance report sets out further explanation of this general fund revenue budget position as follows:

The Neighbourhoods directorate is reporting a forecast underspend of (£2.1m) as at the end of Period 9 compared to a forecast underspend of (£0.4m) forecast at the end of Period 7, which represents a movement of (£1.7m). The main constituents of this movement are as follows:

- There have been savings of (£0.7m) in Neighbourhoods and Communities
- There have been savings of (£0.5m) forecast in Housing Services – General Fund

The largest elements of the (£2.1m) forecast underspend are a (£1.0m) surplus in Neighbourhoods and Communities and a (£0.9m) underspend in Waste.

Neighbourhoods & Communities - (£1.0m) Forecast Underspend

The forecast underspend in Neighbourhoods and Communities has increased by (£0.7m) since period 7.

Neighbourhood management - (£0.2m) Forecast Underspend

This Service is forecasting an underspend of (£0.2m), mostly due to underspends in the NH ABS team (£0.07m) due to higher than expected funding from Public Health; Stapleton road project (£0.07m) and Community Development operations (£0.05m). Not included in the above is the effect of the current spending freeze on Neighbourhood Partnerships (£0.3m). This underspend has increased by (£0.15m) since period 7 and will be reflected in the P10 report.

Parks and Green Spaces (£0.6m) Forecast Underspend

This Service is forecasting an underspend of (£0.6m), partly (£0.2m) due to increased income at Cemeteries and Crematoria, partly due to reductions in planned expenditure as a result of the current spending freeze.

Libraries - (£0.1m) Forecast Underspend

This Service is forecasting underspend of (£0.1m), due to the delayed installation of 'extended access', which is a one-off saving for this year. The predicted underspend has not increased due to the spending freeze as the only discretionary spend is on books and the book fund has already been allocated this year.

Revenue budget positions for both the ring-fenced Public Health Grant and the Housing Revenue Account are also included in paragraphs 17 and 18 respectively of Appendix A to the Period 9 Finance report as follows.

Public Health

The ring-fenced Public Health service is currently forecasting an overspend of £1.6m. This is mainly due to a government in year cut of the grant of 7.6% in year during 2015/16 and further 2% cut to the grant this year. Public Health are managing this overspend through the Public Health reserves which currently has a balance of £4.8m. There is no impact on the general fund of this overspend in this financial year, however the service is currently undertaking a thorough financial review to ensure that delivery is brought within the new budget envelope, reflecting key priorities.

Housing Revenue Account (HRA)

The following is a summary of the HRA budget position as at the end of Period 9.

Table 2: Housing Revenue Account Budget Forecast

HOUSING REVENUE ACCOUNT - Period 8	Gross Exp £m	Gross Income £m	Revised Net Budget £m	Forecast Outturn £m	Forecast Outturn Variance £m	Period 7 Forecast Outturn Variance £m
Strategy, Planning & Governance	24.7	-131.3	-106.6	-108.0	-1.3	-0.8
Responsive Repairs	47.4	-17.4	30.0	30.6	0.5	0.5
Planned Programmes	18.0	-1.3	16.7	14.6	-2.1	-2.2
Estate Management	16.2	-2.1	14.2	14.0	-0.1	-0.2
HRA Financing & Funding	46.2	-0.5	45.7	45.7	0.0	0.0
HOUSING REVENUE ACCOUNT TOTAL	152.6	-152.6	0.0	-3.1	-3.1	-2.7

As at period 9 there was a forecast underspend within the HRA of (£3.1m), which has increased by (£0.4m) since period 7. This is the result of the following:

- Savings released in Strategy, Planning and Governance and Estate Management through employee reductions and review of training and stationery budgets;
- Identification of a further (£0.4m) income from energy efficiency schemes;
- There is a pressure of £0.5m in Responsive Repairs due to greater than budgeted cost of relets repairs, however, contractor spends are being reviewed so this pressure is expected to reduce;
- The Investment Review Plan (in response to imposed rent reductions planned for the HRA) has changed the paint programme in planned programmes resulting in a saving against budget; Contractor issues have also led to some delays, resulting in a (£0.7m) underspend. A housing procurement specialist is being recruited who when in post, should significantly reduce the risk of procurement delays and enhance contract management generally.

Any under or overspend at the year-end will increase or decrease the HRA Reserve and therefore

this does not impact on the General Fund. However, the HRA Business Plan has been recalibrated to take account of the impact of the 1% rent reduction and other proposed government changes and to reflect what is likely to be a very financially challenging future.

Other Options Considered

4. *n/a*

Risk Assessment

5. *n/a*

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

Legal and Resource Implications

Legal

As set out in Appendix A to the Period 9 Finance Report

Financial

(a) Revenue

As set out in Appendix A to the Period 9 Finance Report

(b) Capital

As set out in Appendix A to the Period 9 Finance Report

Land

As set out in Appendix A to the Period 9 Finance Report

Personnel

As set out in Appendix A to the Period 9 Finance Report

Appendices:

Appendix A to the Period 9 Finance Report referred to throughout this report can be found at:

<https://bristolintranet.moderngov.co.uk/documents/s12141/19b%20Appendix%20A%20-%20Further%20Detail.pdf>

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

none