

Communities Committee

Item No.....

Report title:	Finance monitoring
Date of meeting:	7 September 2016
Responsible Chief Officer:	Tom McCabe - Executive Director of Community and Environmental Services
Strategic impact This report provides the Committee with information on the budget position for the Committee for 2016-17. It provides information on any forecast over and underspends and the use of forecast use of reserves.	

Executive summary

The approved 2016-17 net revenue budget for this Committee is £47.800m. At period 4 we are forecasting a balanced budget.

The 2016-17 Capital budget for this committee is £5.992m. We are currently anticipating full delivery of the programme.

The balance of Communities' unspent grants, contributions and reserves at 1st April 2016 is £12.840m. The current planned use of reserves are £ 2.798m and the details are reflected in the report.

Recommendations:

Members are invited to discuss the contents of this report and in particular to note:

- a) The revenue budget for 2016-17, and the detail of the public health budgets, as set out in section 2 of the report.
- b) The current risks being managed by Services.
- c) The capital budget for the 2016-17 capital programme.
- d) The balance and current forecast of reserves as shown in section 4 of this report.

1. Proposal

1.1. Members have a key role in overseeing the financial position of Communities services, including reviewing the revenue and capital position and reserves held by the service. Although budgets are set and monitored on an annual basis it is important that the ongoing position is understood and the previous year's position, current and future plans and performance are considered.

1.2. This monitoring report reflects the budgets and forecast position as at the end July 2016.

2. Evidence

2016/17 Revenue Monitoring

2.1. The table below summarises the budgets relevant to this committee as at July 2016

Table 1: Communities 2016-17 as at Period 04

	2016/17 budget £'000	Forecast £'000	Variance £'000	Variance %
Community and Consultation	233	233		
Cultural Services	13,465	13,465		
Active Norfolk*				
Cultural Services Management	44	44		
Norfolk Art Service	279	279		
Norfolk Community Learning Services	210	210		
Norfolk Libraries and Information Service	9,701	9,701		
Norfolk Museums Service	2,422	2,422		
Norfolk Records Office	809	809		
Customer Services	5,616	5,616		
Public Health	(1,330)	(1,330)		
FIRE: Service Delivery	27,857	27,857		
Resilience	274	274		
Trading Standards	1,872	1,872		
Registrars	(187)	(187)		
Total for Committee	47,800	47,800		

*Active Norfolk is wholly funded from grants and contributions including public health funding.

2.2. There are currently no forecast variances to the net budgets for the services however there are a number service risks that are being monitored and managed that could have an impact on the forecasts.

Public Safety - The major budget risks relate to the £0.100m grant reduction for USAR which is still forecasting a full year operational spend, water rescue including dive team £0.080m and Youth Development trading unit at £0.040m.

At the 11 May Committee Members received a report on the options to continue the water rescue and flood response activities. At the meeting members agreed they wished to continue to support these activities, but Members noted that there is no longer any additional funding for these activities, and if they were to continue then alternative savings will need to be found and asked the Chief Fire officer to work up proposals of how these should be funded. Within 2016/17 these activities can be funded from one off reserves. Further funding needs to be identified if these activities are to be continued on an ongoing basis.

Cultural Services – The service is closely monitoring the levels of sound and vision income, which are lower than historic trends. The service will continue to review the position and if required will report to committee any management action required.

2.3. Public health – Public Health activities are currently funded via a ring fenced public health grant. At the January committee meeting members received a report on the

Public Health response to the Government announcements in relation to the reductions of the grant funding a summary of this is shown below:

Table 2 : Public health Programme and funding

	16 / 17		
	Baseline	Spend	Saving from baseline
	£ 000	£ 000	£ 000
Spend			
Business and staffing	5,123	4,024	1,099
Children & Young people	17,842	17,218	624
Health improvement	3,766	2,420	1,346
Sexual health and smoking	10,325	9,884	441
Communities	262	229	33
DAAT	11,218	10,278	940
Health protection and infection control	20	0	20
PH information & Intelligence	125	116	9
Cross cutting subsidies	1,555	1,555	0
	50,236	45,724	4,512
Funding			
Government grants		41,106	
Other grants & reimbursements		1,443	
Contributions from NHS		900	
Staff recharges		122	
Family Nurse partnership		205	
Funding before use of reserves		43,776	
Use of reserves (Prior year unspent grant)		1,948	
		45,724	

2.4. The savings required for 2016/17 are on track to be delivered mainly through efficiencies that are in the process of being delivered i.e. reductions in staff with turnover implementation of a new staff structure and efficiencies generated from the redesign and procurement of services, as highlighted in the Key Service issues and activities report elsewhere on this agenda.

2.5. In considering ways to reduce this spending a number of strategic principles have been applied:-

- Reducing demand for services – a strategic approach to prevention
- Value for money strategies
- Absorption, and prioritisation of what is absorbed, from the public health tasks the council already does (cross cutting subsidies)

- Application of public health technical skills in population needs assessment and data analysis
- MoSCoW method of prioritisation
- EQIA have been completed where appropriate

None of these savings are risk free as many are dependent on the provision of clinical staff already under contract and/or provided by a limited and specialist number of care providers. Some of the services are activity-based and so in year costs are subject to external demand which can be difficult to influence.

3. Capital Programme 2016-17

3.1. The overall capital budget for the services reported to this Committee is £5.992m.

3.2. The capital programme is shown in the tables below:

Table 3: Communities Capital Programme				
Scheme or programme of work	2016/17 capital Budget £m	2016/17 Forecast capital Outturn £m	Total Forecast (under)/ over spend £m	
Norfolk Fire & Rescue Service	3.721	3.721	0.000	
Museums	1.933	1.933	0.000	
Libraries	0.338	0.338	0.000	
CommitteeTotal	5.992	5.992	0.000	

4. Communities Reserves, Provisions and Unspent Grants/ Contributions

4.1. The committees' unspent grants, reserves and provisions as at 1st April 2016 stood at £12.840m.

4.2. The current forecast use of reserves are shown in the table below

4.3. The use of Public Health reserves is to facilitate the agreed health projects programme and manage the delivery of large programmes over multiple financial years.

Table 4: Communities Reserves & Provisions			
Reserves & Provisions 2016/17	Balance at 1 April 2016	Forecast Balance at 31 March 2017	Planned movement reserves as at P4
	£m	£m	£m
Norfolk Fire & Rescue Service	2.970	2.487	(0.483)
Libraries, Museums, Record Office & Arts	2.142	2.029	(0.113)
Trading Standards	0.113	0.113	0
Norfolk Community Learning services	0.163	0.163	0
Public Health	5.378	3.732	(1.645)

Active Norfolk	0.638	0.654	0.015
Customer Services	0.658	0.493	(0.165)
Registration Services	0.509	0.293	(0.216)
Consultation & Community Relations	0.269	0.078	(0.191)
Committee Total	12.840	10.042	2.798

5. Financial Implications

5.1. There are no decisions arising from this report. The financial position for Communities services is set out within the paper and appendices.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, e.g equality impact assessment, please get in touch with:

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