

Communities Committee

Item No.

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| Report title: | Finance monitoring |
| Date of meeting: | 7 March 2018 |
| Responsible Chief Officer: | Tom McCabe – Executive Director, Community and Environmental Services |
| Strategic impact This report provides the Committee with information on the budget position for services reporting to Communities Committee for 2017-18. It provides information on the revenue budget including any forecast over or underspends and any identified budget risks. It also provides an update on the forecast use of reserves and the details of the capital programme. | |

Executive summary

The services reporting to this Committee are mainly delivered by Community and Environmental Services, but also includes elements of services provide through the Managing Directors office.

The 2017-18 net revenue budget for this committee is £49.480m and this report reflects the forecast out-turn based on the period 9, December 2017 data. The report also highlights the current major financial risks being managed by the department.

The total capital programme relating to this committee is £14.697m, with £5.371m currently profiled to be spent in 2017-18. Details of the capital programme are shown in section 3 of this report.

The balance of Communities Committee reserves as of 1 April 2017 was £9.881m and the forecast balance for March 2018 is £6.158m

Recommendations:

Members are recommended to note:

- a) **The Forecast out-turn position for the Communities Committee revenue budget and note the current budget risks being managed by the department.**
- b) **The Capital programme for this Committee.**
- c) **The current planned use of the reserves and the forecast balance of reserves as at the end of March 2018.**

1. Proposal

- 1.1. Members have a key role in overseeing the financial position for the services under the direction of this committee, including reviewing the revenue and capital position and reserves held by the service. Although budget are set and monitored on an annual basis it is important that the ongoing position is understood and the previous year's position are considered.
- 1.2. This report reflects the budgets and forecast out-turn position at the end of Period 9 December 2017.

2. Evidence

- 2.1. Community and Environmental Services deliver a wide range of services reporting to a number of different committees, EDT, Business and Property, Digital and Innovation and this Committee, which also includes elements of services provided through the Managing Directors office. The revenue budget for CES is managed by the Director on a Departmental basis.
- 2.2. The 2017-18 NET revenue budget for this committee is £49.480m. We are currently forecasting a £0.113m net overspend (0.2% of net budget).

| Table 1: Communities NET revenue budget 2017-18 | | | | |
|--|----------------|---------------|-------------------|-----------------------|
| | 2017-18 Budget | Actuals YTD | Forecast Out-turn | Forecast Net Variance |
| | £m | £m | £m | £m |
| Community and Consultation | 0.210 | 0.150 | 0.210 | 0.000 |
| Community, Information and Learning | 13.807 | 8.328 | 13.930 | 0.123 |
| Culture and Heritage | 4.581 | 2.883 | 4.528 | (0.053) |
| Director of Public Health | 0.241 | 0.588 | 0.241 | 0.000 |
| Equality and Diversity | 0.200 | 0.084 | 0.200 | 0.000 |
| Fire Service | 28.808 | 18.602 | 28.851 | 0.043 |
| Trading Standards | 1.805 | 1.193 | 1.805 | 0.000 |
| Registrars | (0.172) | 0.067 | (0.172) | 0.000 |
| Total for Committee | 49.480 | 31.895 | 49.593 | 0.113 |

- 2.3. Table 1 above reflects the services net revenue budget and therefore the actuals to date are affected by patterns of income and expenditure.

| Table 2 – Gross Budgets | | | | | |
|--------------------------------|---------------------|----------------------|--|-------------------|--------------------------------|
| | Current year budget | Actuals Year to Date | | Prior Year Budget | Prior Year Actuals to period 9 |
| | £m | £m | | £m | £m |
| Expenditure | 113.831 | 85.136 | | 114.010 | 88.947 |
| Income | (64.350) | (53.241) | | (66.421) | (55.301) |
| Net | 49.481 | 31.895 | | 47.589 | 33.646 |

- 2.4. The forecast out-turn presented is based on the work that RBOs undertake on a monthly basis, supported by the finance teams to predict their budgets year end position. RBO's review and actively manage their budgets throughout the year. Based on this work RBO's have identified a number of forecast variances.

| Service | Forecast Variance | Explanation |
|--------------|-------------------|---|
| Fire Service | £0.043m | Forecast Net Overspend – due to additional training requirements for new recruits and unbudgeted spend on water rescue and over |

| | | |
|-------------------------------------|-----------|--|
| | | establishment of trainees and associated costs. Partially offset by savings from leasing budgets (as now supported through capital programme). |
| Community Information and learning | | |
| Library Service | (£0.010m) | Forecast underspend – through the management of vacancies |
| Norfolk Community learning services | £0.133m | Forecast overspend – Due to higher than budgeted costs of Tutors and marketing costs partially offset by forecast additional income. |
| Net overspend | £0.123m | |
| Culture and Heritage | (£0.053m) | Forecast underspend – through vacancy management and forecast additional income. |
| Forecast net Overspend | £0.113m | |

Services will continue to manage their budgets with the aim to deliver a balanced position by controlling expenditure wherever possible.

Services continue to closely monitor specific budget risks which could impact on the final out-turn position :

- 2.5. **Culture and Heritage – Museum service** The Museum budget is based on significant income budgets totalling £5.099m, (£2.632m – Grants and £2.467m admissions, sales and receipts). The services has a strong track record of managing these budgets successfully, however the admissions, sales and receipts budgets can be volatile and are subject to a number of external factors. These budgets are monitored closely throughout the year. To date the service has achieved £2.055m, 83% of the budget.

- 2.6. Additional details of the revenue budget are shown on appendix A

3. Capital budget

- 3.1. The overall capital budget for the services reporting to this committee is £14.697m, with £5.371m currently being profiled to be delivered in 2017-18.

| Table 3: Communities Capital programme | | | | | | |
|--|-------------------------|-------------------------|------------------------------|--------------------------|---------------------------|---------------------------|
| | 2017-18 Budget £m | 2018-19 Budget £m | 2019- 20+ Budget £m | Total Programme £m | Forecast 2017-18 £m | Actuals to period 9 |
| Norfolk Fire and | 2.200 | 2.949 | 0.200 | 5.349 | 2.200 | 1.320 |

| | | | | | | |
|---|--------------|--------------|--------------|---------------|--------------|--------------|
| Rescue Service | | | | | | |
| Culture and Heritage – Museums | 1.095 | 2.143 | 0.750 | 3.988 | 1.095 | 0.401 |
| Community Information and Learning | | | | | | |
| Customer Services Strategy | 0.605 | | | 0.605 | 0.605 | 0.465 |
| E-Commerce Digital Development | 0.173 | | | 0.173 | 0.173 | |
| Single employee portal | 0.320 | | | 0.320 | 0.320 | |
| Libraries | 0.978 | 2.284 | 1.000 | 4.262 | 0.978 | 0.636 |
| Committee total | 5.371 | 7.376 | 1.950 | 14.697 | 4.810 | 2.822 |

4. Reserves 2017-18

- 4.1. The reserves relating to this committee are generally held for special purposes or to fund expenditure that has been delayed, and in many cases relate to external grants and contributions. They can be held for a specific purpose, for example where money is set aside to replace equipment or undertake repairs on a rolling cycle, which help smooth the impact of funding.
- 4.2. A number of the reserve balances relate to external funding where the conditions of the grant are not limited to one financial year and often are for projects where the costs fall in more than one financial year.
- 4.3. Services continue to review the use of reserves to ensure that the original reasons for holding the reserves are still valid.
- 4.4. The balance of unspent grants and reserves as at 1st April 2017 stood at £9.874m
- 4.5. Table 4 below shows the balance of reserves held and the current planned usage for 2017-18.

4.6. Table 4: Communities reserves

| | Balance at 1 April 2017 | Forecast balance 31 March 2018 | Forecast change |
|------------------------------------|-------------------------|--------------------------------|-----------------|
| | £m | £m | £m |
| Community Information and learning | 2.508 | 1.292 | (1.216) |
| Community and Consultation | 0.083 | 0.078 | (0.005) |
| Culture and Heritage | 2.385 | 1.793 | (0.592) |
| Equality and Diversity | 0.000 | 0.059 | 0.059 |
| Public Health | 2.953 | 1.576 | (1.377) |
| Fire Service | 1.611 | 1.040 | (0.570) |
| Registrars | 0.228 | 0.228 | 0.000 |
| Trading standards | 0.113 | 0.092 | (0.021) |
| Committee total | 9.881 | 6.158 | (3.723) |

5. Financial Implications

- 5.1. There are no decisions arising from this report and all relevant financial

implications are set out in this report

6. Issues, risks and innovation

- 6.1. This report provides financial performance information on a wide range of services in respect of this committee.

Officer Contact

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

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Appendix A

Additional information on the Revenue Budget

| Service area | Full year budget £m | Actuals to Date £m |
|--|------------------------|-----------------------|
| Registrars | (0.172) | 0.067 |
| Community Consultation | 0.210 | 0.150 |
| Equality and Diversity | 0.200 | 0.084 |
| Community, Information and learning | | |
| Norfolk Community Learning Services | 0.304 | (0.285) |
| Norfolk Library and Information Services | 8.513 | 4.799 |
| Customer Services | 4.990 | 3.814 |
| Culture and Heritage | | |
| County Archives | 0.797 | 0.429 |
| Culture and Heritage management | 0.073 | 0.040 |
| Norfolk Arts Service | 0.275 | 0.041 |
| Norfolk Museum Service | 2.988 | 1.798 |
| Historic Environment | 0.448 | 0.454 |
| Director of Public Health | | |
| Ring Fenced Grant | (0.026) | 0.454 |
| Other Public health services | 0.267 | 0.133 |
| | | |
| Fire Service | 28.808 | 18.602 |
| Trading Standards | 1.853 | 1.193 |
| Total for Committee | 49.480 | 31.895 |