

# Communities Committee

Item No.....

<b>Report title:</b>	<b>Finance monitoring</b>
<b>Date of meeting:</b>	<b>19 October 2016</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe - Executive Director of Community and Environmental Services</b>
<b>Strategic impact</b> 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 the end of August, period 5, we are forecasting a balanced budget.

The 2016-17 Capital budget for this committee is £6.467m. We are currently anticipating full delivery of the programme.

The balance of Communities' unspent grants, contributions and reserves at 1<sup>st</sup> April 2016 is £12.840m. The current planned use of reserves are £5.548m 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.
- 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 August 2016, period 5.

## 2. Evidence

### 2016/17 Revenue Monitoring

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

Table 1: Communities 2016-17 as at August, Period 04 2016

	2016/17 budget £'000	Forecast £'000	Variance £'000	Variance %
<b>Community and Consultation</b>	233	233		
<b>Cultural Services</b>	<b>13,465</b>	<b>13,465</b>		
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		
<b>Customer Services</b>	<b>5,616</b>	<b>5,616</b>		
<b>Public Health</b>	<b>(1,330)</b>	<b>(1,330)</b>		
FIRE: Service Delivery	27,857	27,857		
Resilience	274	274		
Trading Standards	1,872	1,872		
<b>Registrars</b>	<b>(187)</b>	<b>(187)</b>		
<b>Total for Committee</b>	<b>47,800</b>	<b>47,800</b>		

\*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.

2.3. 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.

2.4. At the September meeting members discussed the potential ongoing cost pressure of £0.150m in relation to the Fire Service response to flooding. The table below shows the current anticipated cost of these activities.

Area	Anticipated Cost £'000	Anticipated Income £'000	net Cost £'000
Flood and Water Rescue	80		80
Dive Team	108	(41)	67
	188	(41)	147

- 2.5. The costs of Flood and Water rescue includes staff training and maintenance/replacement of specialist equipment, for 4 swiftwater rescue boat teams. Training costs for 12 flood first responder teams is separately funded via a pre-existing £34,000 revenue budget uplift assigned by Council in 2008/9.
- 2.6. The cost of the Dive team includes the cost of staff turnout (retained staff), training and purchase and maintenance of equipment. Income is generated when acting on behalf of police forces, with a daily charge in excess of £3,500 levied. Police search activity continues to increase, and the net cost tabled above assumes ongoing income growth and reduced running costs.
- 2.7. Flood, water rescue and diving were all established via the DEFRA Flood Rescue National Enhancement Programme, which provided grant funding for all three activities for a 5 year period, in return for providing all three activities on a national basis via a formal mutual aid scheme. Within 2016/17 it is anticipated that the service will be cost neutral through charges for services and the use of this DEFRA grant funding, which will be fully utilised by the end of the financial year. The future cost pressure identified above is triggered by the imminent expiry of all remaining grant funding.
- 2.8. Library Services – The Library 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.
- 2.9. Public health – Public Health activities are currently funded via a ring fenced public health grant and is used to deliver a range of activities, some of which span financial years and will be managed through the use of reserves. Public Health continue to work with other parts of the organisation to support common objectives and public health outcomes. As reported to P&R, Public Health are planning to release a one-off contribution to public health related work across services of £2.750m.

### 3. Capital Programme 2016-17

3.1. The overall capital budget for the services reported to this Committee is £6.467m

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

Table 2: 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	3.731	3.731	0.000	
Museums	1.393	1.393	0.000	
Libraries	0.373	0.373	0.000	
Customer Services Strategy	0.970	0.970	0.000	
<b>Committee Total</b>	<b>6.467</b>	<b>6.467</b>	<b>0.000</b>	

#### 4. Communities Reserves, Provisions and Unspent Grants/ Contributions

4.1. The committees' unspent grants, reserves and provisions as at 1<sup>st</sup> 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. As reported in paragraph 2.3 above Public Health are planning to release a one-off contribution to public health related work across services of £2.750m.

Table 3: Communities Reserves & Provisions

<b>Reserves &amp; Provisions 2016/17</b>	<b>Balance at 1 April 2016</b>	<b>Forecast Balance at 31 March 2017</b>	<b>Planned movement reserves as at August Period 5</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
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	0.982	(4.395)
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)
<b>Committee Total</b>	<b>12.840</b>	<b>7.292</b>	<b>(5.548)</b>

#### 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.

#### 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:

**Officer Name:** Andrew Skiggs  
**Tel No:** 01603 223144  
**Email address:** [Andrew.skiggs@norfolk.gov.uk](mailto:Andrew.skiggs@norfolk.gov.uk)



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.