

Communities Committee

Item No.

Report title:	Finance monitoring
Date of meeting:	11 October 2017
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 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 provided through the Managing Directors office.

The 2017-18 net revenue budget for this committee is £49.388m and this report reflects the risks and forecast outturn position as at period 5, August 2017-18.

The total capital programme, relating to this committee is £14.878m, with £7.888m profiled for 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 £9.874m, and the forecast balance at 31 March 2018 is £7.186m.

Recommendations:

Members are recommended to note:

- a) **The forecast out-turn position for the Communities Committee and the current budget risks that are 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 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 report reflects the budgets and forecast out-turn position as at the end of Period 5, August 2017.

2. Evidence

Revenue budget 2017-18

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

2.2. The 2017-18 net revenue budget for this committee is £49.388m, we are currently forecasting a balanced budget.

Table 1: Communities Net revenue Budget Forecast Out-turn 2017-18

	2017-18 Budget £m	Forecast Out-turn £m	Forecast Variance £m
Community and Consultation	0.210	0.210	0.000
Community, Information and Learning	13.899	13.899	0.000
Culture and Heritage	4.468	4.468	0.000
Director of Public Health	0.151	0.151	0.000
Equality and Diversity	0.222	0.222	0.000
Fire Service	28.757	28.757	0.000
Trading Standards	1.853	1.853	0.000
Registrars	(0.172)	(0.172)	0.000
Total for Committee	49.388	49.388	0.000

2.3. Additional details for the revenue budget are shown in appendix A.

2.4. We are currently forecasting a balanced budget, however there are a number of budget risks that are being monitored by services:

Culture and Heritage – Museums Service

The Museum budget is based on significant income budgets totalling £5.079m, (£2.619m - Grants and £2.457m - admissions, sales and receipts). The Service 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 will be monitored closely throughout the year . The Service has achieved £1.359m of sales and admissions income to date 55% of the budget so is on track to continue to deliver against the budget.

Fire Service

Following the successful recruitment of a number of full time fire fighters we are currently over establishment, with the expectation of turnover within the year reducing this cost pressure, this will continue to be monitored throughout the year. The service is also reviewing the cost implications of the training requirements to deal with water rescue, the commitment will be reviewed in terms of how this will be delivered and the phasing.

3. Capital Budget

3.1. The overall capital budget for the services reported to this Committee is £14.878m, with £7.888m being profiled to be delivered in 2017-18, at this stage of the year we are fully anticipating full delivery of the programme with no variances.

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

Table 2: Communities Capital Programme

	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	Total Programme £m	Forecast 2017-18 £m
Norfolk Fire & Rescue Service	3.948	1.150	0.200	5.298	3.948
Culture and Heritage – Museums	1.575	1.950	0.750	4.275	1.575
Community, Information and learning					
Customer Services Strategy	0.605	0.000	0.000	0.605	0.605
E-Commerce Digital Development	0.173	0.000	0.000	0.173	0.173
Single Employee Portal	0.320	0.000	0.000	0.320	0.320
Libraries	1.267	1.940	1.000	4.208	1.267
Committee Total	7.888	5.040	1.950	14.878	7.888

4. Reserves 2017-18

4.1. The Council holds both provisions and reserves.

4.2. Provisions are made for liabilities or losses that are likely or certain to be incurred, but where it is uncertain as to the amounts or the dates which they will arise. The Council complies with the definition of provisions contained within CIPFA's Accounting Code of Practice.

4.3. Reserves (or Earmarked Reserves) are held in one of three main categories:

4.4. Reserves for special purposes or to fund expenditure that has been delayed, and in many cases relate to external Grants and Contributions - reserves 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 can help smooth the impact of funding.

4.5. Local Management of Schools (LMS) reserves that are held on behalf of schools – the LMS reserve is only for schools and reflects balances held by individual schools. The balances are not available to support other County Council expenditure.

4.6. General Balances – reserves that are not earmarked for a specific purpose. The General Balances reserve is held to enable the County Council to manage unplanned or unforeseen events. The Executive Director of Finance is required to form a judgement on the level of the reserve and to advise Policy and Resources Committee accordingly.

4.7. The reserves falling under this Committee would fall into the first category. Additionally, balances may relate specific grant income where we have received the income but are yet to incur the expenditure, or the grant was planned to be used over a period of time, not related to a specific financial year.

4.8. We will continue to review the reserve balances to ensure that their original objectives are still valid and would identify any reserves that could be considered available for re-allocation.

4.9. The committees' unspent grants, reserves and provisions as at 1st April 2017 stood at £9.874m.

4.10. The table below shows balance of reserves and the current planned usage for 2017-18. Further details of the reserves are shown in appendix B.

Table 3: Communities Reserves & Provisions			
Reserves & Provisions 2017-18	Balance at 1 April 2017	Forecast Balance at 31 March 2018	Planned Change
	£m	£m	£m
Community, Information and Learning	2.508	1.391	(1.117)
Community and Consultation	0.083	0.083	0.000
Culture and Heritage	2.385	1.388	(0.998)
Director of Public Health	2.953	3.020	(0.067)
Fire	1.611	0.970	(0.641)
Registrars	0.221	0.221	0.000
Trading Standards	0.113	0.113	0.000
Committee Total	9.874	7.186	2.688

5. Financial Implications

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

6. Issues, risks and innovation

6.1. This report provides financial performance information on a wide range of services responsible to the committee.

Officer Contact

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Appendix A

Communities	49,670
Equality and Diversity	222
Community, Information and Learning	13,899
Complaints	55
CSC Fulfilment	482
Norfolk Community Learning Services	304
Norfolk Libraries and Information Service	8,550
Customer Services	145
Healthwatch	226
Service Centre	3,873
Web Content Management	264
Culture & Heritage	4,446
Active Norfolk (see note below)	
County Archives	797
Cultural & Heritage Management	49
Norfolk Art Service	275
Norfolk Museums Service	2,900
Historic Environment	448
Travellers	(22)
Director of Public Health (see note below)	151
HEALTH: Other Public Health Services	267
HEALTH: Public Health Ring Fenced Grant	(116)
Fire	28,757
Trading Standards	1,853

Active Norfolk is funded from a number of grant sources and receives no core NCC funding, we account for both the income and expenditure, therefore the Net budget shown above is nil. Further details are shown below.

Active Norfolk Gross budgets	Current Budget
	1,928,360
Core	270,130
Coaching	82,000
Health Walks	119,840
Physical Activity	227,100
Beginner Running	36,690
Weight Management	46,830
Disability	16,980
VILLAGE GAMES	21,360
Workplace Health	72,220
Sportivate	155,000
Volunteering	1,500

School Games	55,500
Adult Education Coaching Development	31,000
Satellite Clubs	75,000
Fun and Fit	111,430
Children and Young People	70,190
Skyride Local	0
Evaluation	39,980
Mobile Me	221,250
Sporting Ambassadors	700
Sport Relief	0
Events	24,080
Women and Girls	6,000
Access to Schools	36,480
Pushing Ahead	128,350
Sport for Change	78,750

Funded by

1,125,620	Government Grants
60,120	Receipts, charges
742,620	Recharges – including funding from public health.

Public Health is funded from a ringfenced public health grant and receives no core NCC funding, we account for the grant income and expenditure, the credit balance shown above relates to “cross cutting” funding that needs to be allocated to services.

	Current Budget
Director of Public Health	151,120
HEALTH: Public Health Ring Fenced Grant	(115,800)
HEALTH: Business & Staffing	(36,654,160)
HEALTH: Children & Young People Programme	16,367,200
HEALTH: Healthy Living	1,564,090
HEALTH: Sexual Health	6,912,150
HEALTH: Healthy Places	237,770
HEALTH: Health Protection	133,350
HEALTH: Vulnerable People	9,232,400
HEALTH: Intelligence & Info Management	176,400
HEALTH: End Dated Cost Centres	0
HEALTH: Smoking	1,915,000
HEALTH: Other Public Health Services	266,920
HEALTH: Casualty Reduction	10,890
HEALTH: Resilience	253,540
HEALTH: Community Safety	2,490

Appendix B

	Opening Balance	Forecast Net Change	Forecast Closing Balance
	£m	£m	£m
Community, Information and Learning	(2.508)	1.117	(1.391)
Complaints	(0.045)	0.008	(0.037)
Norfolk Community Learning Services	(0.100)		(0.100)
Norfolk Libraries and Information Service	(1.950)	1.109	(0.841)
Customer Service Strategy	(0.037)		(0.037)
Customer Services	(0.344)		(0.344)
Service Centres	(0.032)		(0.032)
Culture & Heritage	(2.385)	0.997	(1.388)
Active Norfolk	(0.824)	0.363	(0.461)
County Archives	(0.222)	0.175	(0.047)
Norfolk Art Service	(0.128)	0.128	
Norfolk Museums Service	(0.814)	0.275	(0.539)
Historic Environment	(0.397)	0.056	(0.341)
Director of Public Health	(2.953)	(0.067)	(3.020)
Other Public Health Services	(0.204)	(0.128)	(0.332)
Public Health Ring Fenced Grant	(2.749)	0.061	(2.688)
Fire	(1.611)	0.641	(0.970)
Trading Standards	(0.113)		(0.113)
Registrars	(0.221)		(0.221)
Community and Consultation	(0.083)		(0.083)
Total	(9.874)	2.688	(7.186)