

# Communities Committee

Item No.

<b>Report title:</b>	<b>Finance monitoring</b>
<b>Date of meeting:</b>	<b>21 May 2018</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe – Executive Director, Community and Environmental Services</b>
<b>Strategic impact</b> 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 outturn for 2017 – 18, and the net revenue budget for 2018 – 19. It also provides an update on the 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 provide through the Managing Director's office.

The 2017-18 net revenue budget for this committee was £48.328m, and for 2018 – 19 is £48.928m. The report highlights the details of the 2017 – 18 revenue outturn position. The services reporting to this committee delivered a net underspend of £0.058m and the details are shown in Table 1 of this report

The total capital programme relating to this committee for the years 2017 to 2020 is £20.889m. 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 £9.634m and as of 1 April 2018 was £7.461m. Details are shown in Section 4 of this report.

### Recommendations:

Members are recommended to note:

- a) **The 2017 – 18 revenue outturn position for this Committee, and the 2018 – 19 revenue budget values**
- b) **The capital programme for this Committee**
- c) **The actual use of reserves in 2017 – 18 and the balance of reserves carried forward to 2018 - 19**

## 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 are considered.
- 1.2. This report reflects the budgets and outturn position as at the end of March 2018, and the revenue budget values for 2018 – 19.

## 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 was £48.328m. At outturn, there was a £0.058m net underspend (0.1% of net budget).

<b>Table 1: Communities NET revenue budget</b>				
	2017-18 Budget	2017 – 18 Outturn	Outturn variance	Budget 2018 - 19
	£m	£m	£m	
Community and Consultation	0.210	0.182	(0.028)	0.214
Community, Information and Learning	14.509	14.583	0.074	14.060
Culture and Heritage	4.492	4.477	(0.015)	5.193
Director of Public Health	0.211	0.209	(0.002)	(0.488)
Equality and Diversity	0.200	0.196	(0.004)	0.202
Fire Service	27.075	27.150	0.075	28.243
Trading Standards	1.805	1.706	(0.099)	1.846
Registrars	(0.174)	(0.233)	(0.059)	(0.342)
<b>Total for Committee</b>	<b>48.328</b>	<b>49.270</b>	<b>(0.058)</b>	<b>48.928</b>

- 2.3. Table 1 above reflects the services net revenue budget, details of the Gross budgets are shown in table 2 below

	<b>Current year budget</b>	<b>Actuals</b>
	<b>£m</b>	<b>£m</b>
Expenditure	112.741	120.621
Income	(64.413)	(72.351)
<b>Net</b>	<b>48.328</b>	<b>48.270</b>

- 2.4. The variances of gross budgets shown in the table above mainly relate to additional external funding received during the year in relation to museums projects and work funded from the safety Camera partnership.

<b>Service Area</b>	<b>Variance</b>	<b>Explanation</b>
Fire Service	£0.075m	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).
<b>Community Information and learning</b>		
Library Service	(£0.100m)	Underspend – through the management of vacancies and property costs
Norfolk Community learning services	£0.135m	Overspend – Due to higher than budgeted costs of Tutors and marketing costs partially offset by additional income.
Customer Services	£0.039m	Overspend due to additional staff costs
<b>Net overspend</b>	<b>£0.074m</b>	
Culture and Heritage	(£0.015m)	Underspend – through vacancy management.
Director of Public Health	(£0.002m)	Small underspends in Community Safety in Staff costs
Equality and Diversity	(£0.004m)	Underspend through additional income generated.
Trading Standards	(£0.099m)	Underspend generated through lower staff costs including travel costs and cost of legal advice
Registrars	(£0.059m)	Underspend due to Management of Vacancies and additional income
Community and Consultation	(£0.028m)	Underspend due to additional income and underspend on Cost of ICT.
<b>Net Underspend</b>	<b>(£0.058m)</b>	

### 3. Capital budget

- 3.1. The overall capital budget for the services reporting to this committee is £20.889m, with £4.504m currently delivered in 2017-18.

<b>Table 3: Communities Capital programme</b>					
	<b>2017-18 Budget £m</b>	<b>2018-19 Budget £m</b>	<b>2019-20+ Budget £m</b>	<b>Total Programme £m</b>	<b>Out-turn 2017- 18</b>
<b>Norfolk Fire and Rescue Service</b>	1.766	5.292	3.600	10.658	1.177
<b>Culture and Heritage – Museums</b>	1.094	2.739	0.750	4.583	1.094
<b>Community Information and Learning</b>					
Customer Services Strategy	0.375	0.230		0.605	0.375
E-Commerce Digital Development	0.056	0.059	0.058	0.173	0.056
Single employee portal	0.031	0.183	0.107	0.321	0.031
Libraries	1.644	2.839	1.164	5.648	1.644
<b>Committee total</b>	<b>4.504</b>	<b>10.871</b>	<b>5.514</b>	<b>20.889</b>	<b>4.504</b>

#### **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 1 April 2017 stood at £9.634m
- 4.5. Table 4 below shows the balance of reserves held and the actual usage for 2017-18.

<b>Table 4: Communities reserves</b>	<b>Balance at 1 April 2017</b>	<b>Outturn balance 31 March 2018</b>	<b>Net change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Community Information and learning	2.508	1.688	(0.820)
Community and Consultation	0.083	0.078	(0.005)
Culture and Heritage	1.988	2.002	0.014
Equality and Diversity	0.000	0.059	0.059
Public Health	3.103	2.073	(1.030)
Fire Service	1.611	1.208	(0.403)
Registrars	0.228	0.228	0.000
Trading standards	0.113	0.126	0.013
<b>Committee Total</b>	<b>9.634</b>	<b>7.461</b>	<b>(2.173)</b>

### Use of reserves

The £2.729m reduction in reserves relates to the planned activity in the year the key changes are shown below:

Community Information and Learning	£1.000m	Release of the one reserve to fund one off saving CMM040 following the capitalisation of materials purchases in 2016/17
		Other minor balances added to reserves with Libraries and Customer services to meet project expenditure that runs over financial years.
Public Health	£1.030m	Planned use of the brought forward ringfenced public health grant to fund activities in the year.
Fire Service	£0.403m	The main movements related to transfers to corporate reserves where the reserve were no longer required for the original purpose. Also to fund some non-budgeted revenue items, (e.g. ill health, water rescue).

## **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:

**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.