

# Communities Committee

Item No.....

<b>Report title:</b>	<b>Finance monitoring</b>
<b>Date of meeting:</b>	<b>25 January 2017</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 forecast use of reserves.	

## Executive summary

The approved 2016-17 net revenue budget for this Committee is £47.800m. At the end of November, period 8, 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 was £12.840m. The current planned use of reserves are £4.712m 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 and that proposals for any further use of reserves in 2016-17 will be highlighted to this committee if the resulting forecast level of reserves falls below the 31 March 2017 balances anticipated at the time the budget was set.
- e) Members are asked to note the pipeline for significant contracts for communities committee for the period to the end of 2018 as shown in appendix A.

## 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 November 2016, period 8.

## 2. Evidence

### 2016/17 Revenue Monitoring

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

Table 1: Communities 2016-17 as at November, Period 08, 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. 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.

2.5. Public health – Public Health activities are currently funded via a ring fenced public health grant that is used to deliver a range of activities, some of which span financial years and will be managed through the use of reserves. The 2016/17 budget included a number of assumptions around the planned use of the reserves carried forward. Currently there are a number of forecast in year underspends, due to efficient management of contracts and provisions made for planned expenditure that are no longer required, which mean that the required amount of funding that needs to be drawn down from reserves will be reduced. This impact is shown in section 4 of this report.

2.6. Public Health continue to work with other parts of the organisation to support common objectives and public health outcomes.

### 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.

Table 3: Communities Reserves & Provisions			
Reserves & Provisions 2016/17	Balance at 1 April 2016	Forecast Balance at 31 March 2017	Forecast movement reserves
	£m	£m	£m
Norfolk Fire & Rescue Service	2.970	2.026	(0.944)
Libraries, Museums, Record Office & Arts	2.142	1.745	(0.397)
Trading Standards	0.113	0.113	0
Norfolk Community Learning services	0.163	0.000	(0.163)
Public Health	5.378	2.589	(2.789)
Active Norfolk	0.638	0.791	0.153
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>8.128</b>	<b>(4.712)</b>

#### 4.4. The forecast movements include:

- Norfolk Fire and rescue Service – Forecast use to fund planned training costs £0.064m, Equipment Costs £0.172m, planned ICT replacements £0.195m and Pension costs £0.248m.
- Libraries – Forecast use of the monies brought forward from 2015/16 for investment in self-service technology
- Public Health – includes the proposed £2m previously discussed by committee. The balance of £0.789, is the updated forecast of unspent grant required to fund the current levels of activity. This is a forecast reduction from previously reported to members and reflects a number of savings on contracts and budgeted provisions which are no longer required in the current financial year.

## 5. Financial Implications

5.1. The financial position for Communities services is set out within the paper.

## 6. Issues, Risk and Innovation

6.1. Committee regularly receive information on risk via a separate report, members are not due to receive the next report until May, however services continue to review those risks and there are no significant changes to the risk reported at the November meeting.

6.2. A regular 'contract pipeline' report is being produced, which:

- a) provides an opportunity to get a grip on contracts well in advance of their expiry and to identify opportunities for re-negotiation, re-specification, cessation, merging activities and taking activities in-house; and
- b) enables senior managers collectively to discuss member engagement and reputational issues and to consider organisational capacity and preparedness to manage forthcoming contract renewals.

6.3. Further details relevant to this committee are shown in Appendix A.

## 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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