

# Communities Committee

Item No.....

<b>Report title:</b>	<b>Finance monitoring</b>
<b>Date of meeting:</b>	<b>8 March 2017</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 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 £44.393m. At the end of January 2017, period 10, we are forecasting a balanced budget.

The 2016-17 Capital budget for this committee is £4.376m. 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 £4.205m 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.

## 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 January 2017, period 10.

## 2. Evidence

### 2016/17 Revenue Monitoring

2.1. The table below summarises the budgets relevant to this committee as at January 2017

Table 1: Communities 2016-17 as at January, Period 10, 2016/17

	2016/17 budget £'000	Forecast £'000	Variance £'000	Variance %
<b>Community and Consultation</b>	233	233		
<b>Cultural Services</b>	<b>12,112</b>	<b>12,112</b>		
Active Norfolk*				
Cultural Services Management	47	47		
Norfolk Art Service	279	279		
Norfolk Community Learning Services	261	261		
Norfolk Libraries and Information Service	8,089	8,089		
Norfolk Museums Service	2,558	2,558		
Norfolk Records Office	878	878		
<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	25,803	25,803		
Resilience	274	274		
Trading Standards	1,872	1,872		
<b>Registrars</b>	<b>(187)</b>	<b>(187)</b>		
<b>Total for Committee</b>	<b>44,393</b>	<b>44,393</b>		

\*Active Norfolk is wholly funded from grants and contributions including public health funding.

2.2. The net revenue budget shown in table 1, has reduced from the £47.800m budget previously been reported to Committee, due to the changes to adjustments to the budgets related to capital charges. There is no impact on spend on front line services as these are cost neutral accounting changes relating to the historic capital spend.

2.3. 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.

2.4. Fire Service - The major budget risks relate to the £0.065m grant reduction for USAR which is still forecasting a full year operational spend, water rescue including dive team £0.143m, Youth Development trading unit at £0.090m and additional costs in relation to ICT projects. These areas are being monitored by the service and will be mitigated by underspends elsewhere in the service or by use of specific available reserves.

2.5. 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.

2.6. Museum Service – despite good attendance numbers within Museums there is current pressure on the admissions income budgets. The service continues to

monitor these budgets closely and will manage the impacts of any shortfall through the control of expenditure and other additional income.

2.7. NCLS – As per the report elsewhere on the agenda the service continues build on the recent Ofsted Grade 2 rating (good). As part of delivering that improvement plan there service has incurred some transitional costs. In addition there is a historic claw back of funding from the 2015/16 academic year. To mitigate the impacts of these issues the service has managed its costs and will use the allocated reserves as appropriate.

2.8. 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.

2.9. 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	1.620	1.620	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>4.376</b>	<b>4.376</b>	<b>0.000</b>	

The revised Fire and Rescue service programme reflects the re-profiling of funding to 2017/18 to match the revised programme of delivery for projects.

### 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 &amp; Provisions

<b>Reserves &amp; Provisions 2016/17</b>	<b>Balance at 1 April 2016</b>	<b>Forecast Balance at 31 March 2017</b>	<b>Forecast movement reserves</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Norfolk Fire & Rescue Service	2.970	1.639	(1.331)
Libraries, Museums, Record Office & Arts	2.142	1.934	(0.208)
Trading Standards	0.113	0.113	0
Norfolk Community Learning services	0.163	0.000	(0.163)
Public Health	5.378	3.239	(2.138)
Active Norfolk	0.638	0.845	0.207
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>8.634</b>	<b>(4.205)</b>

#### 4.4. The forecast movements include:

- Norfolk Fire and rescue Service – Forecast use to fund planned training costs £0.060m, Equipment Costs £0.120m, planned ICT replacements £0.154m and Pension costs £0.248m.
- Libraries – Forecast use of the monies brought forward from 2015/16 for investment in self-service technology
- NCLS – use of the reserve to manage the cost of transition to the new structure and deliver the improved Ofsted rating.
- Public Health – includes the proposed £2m previously discussed by committee. The balance of £0.138, 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.

### 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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