

Communities Committee

Report title:	Finance monitoring
Date of meeting:	5 September 2018
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact This report provides the Communities Committee with financial monitoring information for the services reporting to this Committee for 2018-19.	

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 2018-19 net revenue budget for this committee is £47.521m.

The total capital programme relating to this committee for the years 2018 to 2021 is £16.987m. Details of the capital programme are shown in Section 3 of this report.

The balance of Communities Committee reserves as of 1 April 2018 was £7.466m. The reserves at the beginning of the year included committed expenditure and unspent grant income which was carried forward from 2017/18. Details are shown in Section 4 of this report.

Recommendations:

Members are recommended to note:

- a) **The 2018-19 revenue budget and forecast out-turn position for this Committee.**
- b) **The capital programme for this Committee**
- c) **The balance of reserves brought forward to 2018-19 and the planned use of reserves.**

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 for 2018-19 budget and forecast outturn position as at the end of July 2018.

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, the revenue budget for CES is managed by the Director on a Departmental basis. Elements of services provided through the Managing Directors office also report into this committee.

2.2. The 2018-19 NET revenue budget for this committee is £47.521m.

Table 1: Communities NET revenue budget				
	2018-19 Budget	2018-19 Forecast Outturn	Forecast variance	Actual Spend to Period 4
	£m	£m	£m	£m
Community and Consultation	0.214	0.214	0.000	0.049
Community, Information and Learning	15.887	15.887	0.000	3.971
Culture and Heritage	3.827	3.894	0.067	1.365
Director of Public Health	(0.488)	(0.534)	(0.046)	(8.760)
Equality and Diversity	0.183	0.183	0.000	0.151
Fire Service	28.243	28.683	0.440	8.223
Registrars	(0.345)	(0.345)	0.000	(0.147)
Total for Committee	47.521	47.982	0.461	4.852

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

Table 2	Current year budget	Forecast	Forecast Variance	Actuals to period P04
	£m	£m	£m	£m
Expenditure	110.065	110.439	0.374	32.386
Income	(62.544)	(62.457)	0.087	(27.534)
Net	47.521	47.982	0.461	4.852

2.4. Forecast variances

2.5. As at period 4 RBOs have identified the following forecast variances

Table 3		
Service Area	Forecast Variance £m	Narrative
Culture and Heritage	£0.087	Current forecast over spend due to reduced admission fee income over the early part of the year

		which is due to the good weather.
Culture and Heritage	(£0.020)	Forecast underspend on Salary costs
Director of Public Health	(£0.046)	Forecast underspend on Salary costs
Fire Service	£0.440	Forecast overspend see paragraph 2.6 below.
Net Forecast Overspend	£0.461	

2.6. There are number of pressures currently within the Fire Service:

- £0.200m – Additional cost due to recent peak of activity
- £0.100m – Additional cost due to current over recruitment to establishment
- £0.100m – Additional cost of training
- £0.040m – Additional cost of training specific to Flood water rescue

The forecasts are based on current levels of activity and the service will continue to review the profile of expenditure throughout the year and manage costs wherever possible.

2.7. Salary budgets – 45% of the gross expenditure for this committee relates to salary costs. The budget is reviewed annually and is set assuming there will be some turnover of staff. Whilst we are still early in the year there is a turnover of staff above the assumptions in the budget which are reflected in the forecasts. We would anticipate further underspends from salary budgets due to turnover over staff.

3. Capital budget

3.1. The overall capital budget for the services reporting to this committee is £16.987m, an increase of £1.361m from previously reported to Committee. £10.906m is currently profiled to be delivered in 2018-19.

Table 4: Communities Capital programme						
	2018-19 Budget £m	2019-20 Budget £m	2020-21+ Budget £m	Total Programme £m	Actuals to period 4	Forecast Out-turn 2018-19
Norfolk Fire and Rescue Service	5.202	1.590	2.150	8.942	0.097	5.202
Culture and Heritage – Museums	2.629	0.750		3.379	0.220	2.629
Customer Services Strategy	0.165	0.065		0.230	0.049	0.165
E-Commerce Digital Development	0.114	0.003		0.117	0.006	0.114
Single employee portal	0.028	0.261		0.289	0.007	0.028

Libraries	2.579	1.262		3.841	0.195	2.579
Traveller Sites Improvement	0.089			0.089		0.089
Public Health – reducing domestic violence	0.100			0.100		0.100
Committee total	10.906	3.931	2.150	16.987	0.574	10.906

- 3.2. The overall programme has increased by £1.361m due to:
- The inclusion of £0.789m CLG grant funding for Fire service
 - £0.470m of s106 funding for library improvements and
 - £0.100m for reducing domestic violence
- 3.3. The Fire programme includes planned replacement of the Red Fleet (£5.479m) over the 3 years and replacement of critical equipment (£0.669m).
- 3.4. The Library programme includes £0.800m for the refurbishment of the self-service kiosks and building improvement.
- 3.5. The capital programme is managed over multiple years due the nature of delivery of projects as they can take time to plan and deliver. Budget virements may take place throughout the year to reflect the expected profile of deliver.

4. Reserves 2018-19

- 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 2018 stood at £7.466m
- 4.5. Table 5 below shows the balance of reserves held and the planned usage for 2018-19.

	Balance at 1 April 2018	Forecast balance 31 March 2019	Forecast Net Change
	£m	£m	£m
Table 5 : Communities Reserves			
Culture, Heritage and Planning			
Income Reserve	(0.163)	(0.163)	0.000
Repair and Renewal Fund	(0.165)	(0.165)	0.000
Residual Insurance and Lottery	(0.183)	(0.162)	0.021

Unspent Grants and Contributions Reserve	(1.491)	(1.167)	0.323
Culture, Heritage and Planning Total	(2.002)	(1.658)	0.344
Head of Support and Development	(0.059)	(0.059)	0.000
Community, Information and Learning			
Income Reserve	(0.114)	(0.114)	0.000
Information Technology	(0.617)	(0.219)	0.398
Repair and Renewal Fund	(0.923)	(0.557)	0.366
Unspent Grants and Contributions Reserve	(0.160)	(0.111)	0.050
Community, Information and Learning Total	(1.814)	(1.001)	0.813
Chief Fire Officer			
EU Regs-Retained fire fighters and P/T Workers	(0.048)	(0.048)	0.000
Fire Pensions Reserve	(0.155)	(0.155)	0.000
Operational Equipment	(0.378)	(0.335)	0.043
Repair and Renewal Fund	(0.456)	(0.469)	(0.013)
Retained Turnout Payments	(0.031)	(0.031)	0.000
Unspent Grants and Contributions Reserve	(0.140)	(0.090)	0.050
Chief Fire Officer Total	(1.208)	(1.128)	0.080
Director Public Health			
Repair and Renewal Fund	(0.040)	(0.040)	0.000
Road Safety Reserve	(0.150)	(0.109)	0.041
Unspent Grants and Contributions Reserve	(1.883)	(1.555)	0.328
Director Public Health Total	(2.073)	(1.704)	0.369
Registrars - Repair and renewal fund	(0.228)	(0.181)	0.047
Community and Consultation			
Organisational Change and redundancy reserve	(0.075)	(0.075)	
IT reserve	(0.008)	(0.008)	
Community and Consultation Total	(0.083)	(0.083)	0.000
Grand Total	(7.466)	(5.813)	1.653

4.6. Use of reserves

- 4.7. The department will continue to review the delivery of projects and planned use of reserves and will be updated to members as part of this monitoring report.
- 4.8. The current forecast use of reserves is mainly the release of external funding to support the delivery of projects which are delivered over financial years or where funding has been set aside for specific projects.

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



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.