

# Economic Development Sub-Committee

Item No.

<b>Report title:</b>	<b>Finance monitoring report</b>
<b>Date of meeting:</b>	<b>12 May 2016</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe – Executive Director Community and Environmental Services</b>
<b>Strategic impact</b> On 16 February 2015, the County Council agreed a net revenue budget of £318.428m. Economic Development and Strategy's (EDS) net revenue budget for 2015/16 was £1.896m, including the Skills Team, which transferred to EDS from Children's Services on 1 April 2015. At the end of each month, officers prepare financial forecasts for each service showing forecast income and expenditure and the planned use of earmarked reserves.	

## Executive summary

This report provides the Sub-Committee with the financial position for the service to the end the 2015-2016 financial year, including the planned use of reserves.

It also gives an overview of the budget for 2016-17.

For 2015-16, the service's budget included planning for an in-year saving of £0.090m, to contribute to the savings target for Community and Environmental Services of £36m.

As at the end of March 2016, spend was on track and the year-end spend, against a budget of £1.896m, was £1.806m, reflecting the £0.090m saving.

The budget for 2016/17 is £2.003m and, as at the end of April 2016, no commitments to projects have yet been made.

**Members are requested to note the year end position for Economic Development and Strategy for 2015/16 and the budget for 2016-17.**

## 1. Proposal

1.1. Members have a key role in overseeing the financial position of Economic Development and Strategy (EDS), including reviewing the revenue 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.

## 2. Evidence

2.1. The year-end budget position for 2015/16 and the agreed budget for 2016-17 are shown in Section 3.

## 3. Financial Implications

### 3.1. Revenue

The net revenue budget for Economic Development & Strategy for 2015/16 is

**£1.896m.** This figure does not include the income/expenditure for Hethel Innovation, which is managed as a separate company, with County Council representation on the Board. It also does not include a number of Economic Programmes Team staff, who are paid for by the external funding programmes they work on. However, it *does* include funds for the 8 staff in the Skills team, who transferred to EDS from Children's Services on 1 April 2015. Table 1, below, shows the budget for the service.

**Table 1: 2015-16 Economic Development & Strategy budget**

<b>Budget</b>	<b>£m</b>
Salaries	1.280
Overheads	0.131
Depreciation	0.098
Projects Fund	0.387
<b>Total</b>	<b>1.896m</b>

The Projects Fund is supplemented by allocated reserves until 2018/19, largely the balance of the **£3.5m** corporate funding for Apprenticeships Norfolk:

**Table 2: 2015-16 income and expenditure, including the use of reserves**

<b>Expenditure</b>	<b>£m</b>
Salaries	1.440
Overheads	0.131
Depreciation (Hethel Innovation buildings, plant and equipment)	0.098
Project activity (supplemented by reserves – see income)	
• Apprenticeships Norfolk	1.299
• Other projects (sector development, business support, inward investment, corporate European activity etc)	0.417
<b>Total expenditure</b>	<b>3.385</b>
less	
<b>Income</b>	
From reserves	
• Apprenticeships	1.299
• Other projects	0.120
Project recharges (staff re-charged to the funding programmes they work on, ie net salaries budget is £1.280m, not £1.440m)	0.160
<b>Total income</b>	<b>1.579</b>

The actual year-end spend, against a budget of £1.896m, was £1.806m, reflecting the planned in-year saving of £0.090m, to contribute to the savings target for Community and Environmental Services of £36m.

### **2016/17 Budget for the Service**

The planned budget for 2016/17 is £2.003m. Details of the areas of activity will be reported to future committees. The high level is as follows:

	£m
Employee costs	1.647
Overheads	0.055
Projects	0.602
Depreciation	0.090
	2.394
Income	(0.391)
Net budget	2.003

No commitments have yet been made to projects for 2016/17.

### 3.2. Capital

There are currently no approved capital schemes under the control of this sub-committee. As previously agreed, the plan for the development of Scottow Enterprise Park formed part of the capital programme approved by Full Council in February 2015, and progress against plan is reported to this sub-committee periodically.

## 4. Issues, risks and innovation

- 4.1. Risk management is undertaken at a project or programme level and is robustly monitored.

## 5. Background

- 5.1. This report seeks to focus on the controllable revenue budget of the EDS service, as well as the capital budget allocated to Scottow Enterprise Park.

## 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 (finance)      **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.