

# Economic Development Sub-Committee

Item No.

<b>Report title:</b>	<b>Finance monitoring</b>
<b>Date of meeting:</b>	<b>24 November 2016</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe – Executive Director Community and Environmental Services</b>
<b>Strategic impact</b> On 22 February 2016, the County Council agreed the overall budget for the authority. The Economic Development and Strategy (EDS) net revenue budget for 2016/17 is £2.003m At the end of each month, officers prepare financial forecasts for each service area and will highlight any potential risks or issues arising.	

## Executive summary

This report provides the Sub-Committee with the financial position for the service as at the end of September, period 6 - 2016-17 financial year, covering the revenue budget, capital programme and balance of reserves.

The revenue budget for 2016/17 is £2.003m, the capital programme relating to this committee is £10.008m and the balance of reserves as at 01 April 2016 was £2.863m

**Members are requested to note the budgets for Economic Development and Strategy 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 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 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 2016/17 is **£2.003m**. Table 1, below, shows the budget for the service.

**Table 1: 2016-17 Economic Development & Strategy budget**

<b>Budget</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Core Salaries	1.489	1.489	
Overheads	0.115	0.115	
Depreciation	0.090	0.090	
NCC funded project expenditure	1.926	1.926	
Externally funded project expenditure	4.250	4.250	
Use of Reserves (as 3.3 below)	(1.592)	(1.592)	
Other Income	(0.025)	(0.025)	
Externally funded project income	(4.250)	(4.250)	
<b>Total</b>	<b>2.003</b>	<b>2.003</b>	

NCC funded project expenditure includes £0.200m that Full Council allocated for youth employment and the projects against this fund are under development. Of the remaining £1.726m, £1.563m is committed to projects focused on Sector Support, inward investment and support to the rural economy (including residual Apprenticeship Scheme expenditure). The remaining £0.163m is allocated to annual funding for the Local Enterprise Partnership and various other smaller projects.

Externally funded projects include France (Channel) England (£0.860m), Skills Funding Agency Apprenticeships scheme (£2.005m), Great Yarmouth 3<sup>rd</sup> River Crossing Business Plan preparation (£1.020m) and various Skills and Facilitation projects (£0.185m).

### 3.2. Capital

The capital programme for activities relating to this committee is £10.008m, which includes the £6.250m loan facility for the Aviation academy. The remaining funding is an indicative allocation for improvements at Scottow Enterprise Park, for which funding will be drawn down subject to the appropriate business cases for investment in the site.

### 3.3. Reserves

The reserves falling under this Committee are largely reserves held for special purposes or to fund expenditure that has been delayed. Reserves 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 can help smooth the impact of funding.

Additionally they also may related to income that we have received from specific grants where we have yet to incur the expenditure, or the grant was planned to be used over a period of time (where the grant is not related to a specific financial year).

The balance of reserves as at 1 April 2016 was £2.863m, the table below shows the planned movement on reserves and the forecast balance for 31 March 2017.

	Balance as at 1 April 2016 £m	Forecast Balance 31 March 2017 £m	Forecast Movement £m
Apprenticeships	1.263	0.150	(1.113)
Strategic Ambitions	0.572	0.437	(0.135)
Europe Fund	0.125	0.040	(0.085)
Future Jobs Fund	0.274	0.190	(0.084)
EZ Skills	0.040	0.000	(0.040)
IEG	0.125	0.039	(0.086)
HEC Trading	0.415	0.415	
Scottow Trading	0.049	0.000	(0.049)
<b>Total Balance</b>	<b>2.863</b>	<b>1.271</b>	<b>1.592</b>

The reserves for Apprenticeships, Strategic Ambitions, Europe Fund, Future Jobs fund and EZ skills are all committed over the next 3 years. The IEG reserve is held to fund feasibility studies in relation to transport schemes.

#### 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:

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