

Environment, Development and Transport Committee

Report title:	Finance monitoring
Date of meeting:	18 January 2019
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact This report provides the EDT Committee with financial monitoring information for the services reporting to this Committee for 2018-19.	

Executive summary

The services reporting to this Committee are delivered by Community and Environmental Services.

The 2018-19 net revenue budget for this committee is £103.521m and we are currently forecasting a £0.850m underspend for the services reporting to this committee

The total capital programme relating to this committee for the years 2018 to 2020 is £96.173m, with £50.878m currently profiled to be spent in 2018-19. Details of the capital programme are shown in section 3 of this report.

The balance of EDT Committee reserves as of 1 April 2018 was £27.434m. The reserves at the beginning of the year included committed expenditure, unspent grants and contributions which were carried forward from 2017-18. Details are shown in Section 4 of this report.

Recommendations:

Members are recommended to note:

- a) **The note 2018-19 revenue budget the Environment, Development and Transport Committee and the current forecast outturn position**
- b) **The Capital programme for this Committee.**
- c) **The balance of reserves brought forward to 2018-19 and the forecast use for 2019-20.**

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 November 2018.

2. Evidence

- 2.1. The services reporting to this Committee are delivered by Community and Environmental Services which also manage services reporting to Communities Committee, Digital and Innovation Committee and Business and Property Committee.
- 2.2. The 2018-19 NET revenue budget for this committee is £103.521m.

	2018-19 Budget	2018-19 forecast Outturn	Forecast Variance	Actual spend to period 8
	£m	£m	£m	£m
Business Support and development	2.757	2.627	(0.130)	1.478
Culture and Heritage – Environment	1.113	1.113	0.000	0.575
Culture and Heritage – Historic Environment	0.250	0.250	0.000	0.190
Culture and Heritage – Planning	0.438	0.438	0.000	0.147
Highways and Waste				
Flood and Water management	0.419	0.419	0.000	0.196
Highways Operations	5.813	5.813	0.000	4.225
Major projects	0.360	0.360	0.000	0.217
Highways Network	0.827	0.827	0.000	0.950
Electrical services	9.397	9.397	0.000	3.170
Highways depreciation	26.248	26.248	0.000	
Travel and Transport Services	14.450	14.450	0.000	15.779
Residual Waste	23.591	23.191	(0.400)	14.786
Recycling and Closed landfill sites	17.172	16.852	(0.320)	9.207
Total highways and Waste	98.839	98.619	(0.720)	
Infrastructure and Economic Growth	0.686	0.686	0.000	0.776
Total for Committee	103.521	102.671	(0.850)	51.695

2.3. Forecast Variances:

We are currently forecasting £0.130m underspend in Business support and development due to the management of staff costs. When the budget is set we assume there will be some turnover of staff, where we are able to manage vacancies we will hold posts that don't require them to be filled immediately.

As previously reported to committee we are anticipating an underspend in the Household waste recycling centres budget, which is now reflected in the forecasts, we will continue to monitor activity throughout the rest of the year.

- 2.4. Based on the current view of waste tonnages we are forecasting an underspend on residual waste and payments in recycling credits.

Residual waste is reducing in year, the projection has dropped from the budgeted allowance of 214,133 tonnes to a forecast worst case of 213,358 tonnes, There is also a one off in year benefit of an over accrual for expected tonnages at the end of 21017/18 that did not arise, equivalent to 3,600 tonnes.

Also, recycling credits the claims for garden waste have dropped in year, due to the weather, to date we have seen a drop of around 1,400 tonnes.

3. Capital Programme

- 3.1. The total capital budget for the services reporting to this committee is £96.173m, with £50.878m profiled for delivery in 2018-19.

Table 3 Capital Programme			
	2018-19	2019-20	Total Programme
	£m	£m	£m
Major Schemes	8.345	13.206	21.551
Bus Infrastructure Schemes	0.160	0.070	0.230
Bus Priority Schemes	0.500		0.500
Public Transport Interchanges	0.140	0.090	0.230
Cycling schemes (County)	0.575	1.855	2.430
Cycling schemes (Norwich "City Cycle Ambition 2")	0.460		0.460
Walking schemes	0.794	0.756	1.550
Road Crossings	0.245	0.261	0.506
Local Road Schemes	4.034	6.229	10.263
Great Yarmouth sustainable transport package (LGF Funded)	2.798	0.900	3.698
Attleborough Sustainable transport package (LGF Funded)	1.950	1.100	3.050
Thetford Sustainable Transport package (LGF Funded)	1.200	0.675	1.875
Traffic management and calming	0.929	0.010	0.939
Local Safety Schemes	0.250	0.250	0.500
Other Schemes, Future fees and Carry over costs	0.559	0.559	1.118
Integrated transport	22.939	25.961	48.900
Structural Maintenance	31.885	32.465	64.350
Total Highways programme	46.479	45.22	91.699
Other capital schemes			
Transport related budget - clean bus technology	0.036		0.036
Public Access - related projects	0.350		0.350
Waste management	4.013	0.075	4.088
	4.399	0.075	4.474
Total Programme	50.878	45.295	96.173

- 3.2. The highways programme reflects the current known funding. The service has a strong track record of securing additional external funding which will be added to the programme as this gets confirmed.
- 3.3. The programme is actively managed throughout the year to aim for full delivery within the allocated budget. Schemes are planned at the start of the year but may be delayed for a variety of reasons e.g. planning consent or public consultation. When it is identified that a scheme may be delayed then other schemes will be planned and progressed to ensure delivery of the programme and the original schemes will be included at a later date. Over / (under) spends and slippage will be carried forward and delivered in future years.

4. Reserves 2017-18

- 4.1. The Council holds both reserves and provisions.
- 4.2. Provisions are made for liabilities or losses that are likely or certain to be incurred, but where it is uncertain as to the amounts or the dates which they will arise. The Council complies with the definition of provisions as contained within the CIPFA Accounting Code of Practice.
- 4.3. Reserves are either reserves 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 can help smooth the impact of funding.
- 4.4. Or reserves can be held as General balances, these are not earmarked for a specific purpose. General balance reserves would be held to help the Council to manage unplanned or unforeseen events. This committee doesn't hold any general balances.
- 4.5. The reserves relating to this committee are held for special purposes or to fund expenditure that has been delayed, and in many cases relate to external grants and contributions.
- 4.6. 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.
- 4.7. Services continue to review the use of reserves to ensure that the original reasons for holding the reserves are still valid.
- 4.8. The balance of unspent grants and reserves as at 1st April 2018 stood at £27.434m
- 4.9. Table 4 below shows the balance of reserves held and the current forecast usage for 2018-19.

4.10

	Balance at 1 April 2018 £m	Forecast balance 31 March 2019 £m	Forecast Net Change £m
Table 4: EDT Committee reserves			
Culture, Heritage and Planning			
Historic Buildings	(0.079)	(0.043)	0.037
Income Reserve	(0.080)	(0.084)	(0.004)
R and R Fund	(0.079)	(0.038)	0.041
Unspent Grants and Contributions Reserve	(0.060)	(0.036)	0.024
Culture, Heritage and Planning Total	(0.299)	(0.201)	0.097
Highways, Transport and Waste			
Bus Service De-registration reserve	(0.031)	(0.031)	0.000

Demand Responsive Transport	(0.004)	(0.004)	0.000
Highways Maintenance	(5.796)	(5.590)	0.206
Information Technology	(0.005)	(0.005)	0.000
Landfill Provision	(12.357)	(12.278)	0.079
Park and Ride Refurb Reserve	(0.012)	(0.012)	0.000
Provision for Bad Debts	(0.037)	(0.037)	0.000
Public Transport Commuted Sums	(0.389)	(0.389)	0.000
R and R Fund	(0.237)	(0.172)	0.065
Street Light PFI Sink Fund	(5.051)	(4.177)	0.874
Unspent Grants and Contributions Reserve	(2.065)	(2.065)	0.000
Waste Management Partnership	(0.869)	(0.669)	0.200
Highways, Transport and Waste Total	(26.852)	(25.428)	1.423
Head of Support and Development	(0.180)	(0.180)	0.000
Economic Development			
Economic Dev and Tourism	(0.104)	(0.104)	0.000
Grand Total	(27.434)	(25.913)	1.521

4.11 The department will continue to review the planned use of reserves throughout the year.

4.12 Significant reserves balances

	Balance 1 April 2018 £m	Reason for holding
Highways and Waste		
Closed Landfill Provision	12.357	Provision for the long term impairment costs arising from Closed Landfill sites. We have a legal duty to hold a provision for the future maintenance of Council owned closed landfill sites
Street lighting PFI	5.081	Reflects receipt of the government PFI grant for the Street Lighting contract, which will be needed to meet the future financial years to meet contract payments.

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:

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