**REPORT TO CABINET**

| | | | | | |
|---|---|---|---|---|---|
| **Open** | | **Would any decisions proposed :** | | | |
| **Any especially affected Wards None** | Mandatory | (a) Be entirely within Cabinet's powers to decide **YES**<br>(b) Need to be recommendations to Council **NO**<br>(c) Be partly for recommendations to Council and partly within Cabinets powers – **NO** | | | |
| Lead Member: Councillor Brian Long<br>E-mail:cllr.brian.long@west-norfolk.gov.uk | | Other Cabinet Members consulted: | | | |
| | | Other Members consulted: | | | |
| Lead Officer: Toby Cowper<br>E-mail: toby.cowper@west-norfolk.gov.uk<br>Direct Dial: 01553 616532 | | Other Officers consulted: Management Team | | | |
| Financial Implications YES | Policy/Personnel Implications NO | Statutory Implications (incl S.17) NO | Equal Opportunities Implications NO | Risk Management Implications YES | |

**Date of meeting: 6 December 2016**

# BUDGET 2016/2017 – MONITORING


## Summary

This report updates the 2016/2017 revenue estimates and the projections for 2016 to 2020. These figures will form the base on which the new Financial Plan 2016/2021 will be formulated for council tax setting purposes in February 2017.


## Recommendations

It is recommended that Cabinet approve:

1) The changes, transfers to reserves and revised revenue estimates for 2016/2017 as detailed in the report.

## Reason for Decision

Formal approval is required by Cabinet for the amendments to the 2016/2017 revenue estimates. The amendments have been reported to members as part of the monthly monitoring reports for April to September 2016 and are summarised below.

## 1. The Revenue Estimates 2016/2017

1.1 The original budget 2016/2017 was approved by Council on the 25 February 2016. Throughout the year the Assistant Director (S151 Officer) has monitored the budget and, where necessary, Executive Directors have sought approval for additional budget provision. The purpose of this report is to formally establish base estimates and projections on which a revised Financial Plan for 2016/2021 can be built. This will leave the report to Cabinet on 31 January 2017 and Council in February 2017 to focus on future years.

1.2 The variances between the approved original budget and revised budget have been detailed in the monthly Monitoring Reports for April to September 2016, which have been distributed to members. The adjustments are summarised below:

| | **Original Budget 2016/ 2017** | **September Budgetary Control Monitoring 2016/2017** | **Transfers between Service Areas** 1.4 below refers | **Cost Reduction Programme Paragraph 3** 3.1 below refers | **Variance adverse/ (favourable) Paragraph** 1.3 below refers |
|---|---|---|---|---|---|
| | **£** | **£** | **£** | **£** | **£** |
| Corporate | 1,288,500 | 1,569,830 | 181,170 | 70,220 | 5,210 |
| Democracy | 1,305,510 | 1,280,110 | (20,750) | (4,650) | 0 |
| **Services Areas:** | | | | | |
| Central and Community Services | 4,175,720 | 3,995,220 | (146,700) | (9,070) | 0 |
| Chief Executive | 4,497,280 | 4,327,550 | (61,110) | (14,500) | (94,120) |
| Commercial Services | 4,474,740 | 4,401,460 | 69,530 | (42,000) | (100,810) |
| Environment and Planning | 1,939,440 | 1,837,300 | (22,140) | 0 | (80,000) |
| | | | | | |
| Financing Adjustment | (4,160,150) | (4,160,150) | 0 | 0 | 0 |
| Internal Drainage Boards | 2,641,530 | 2,639,030 | 0 | 0 | (2,500) |
| Special Expenses | 8,060 | 8,060 | 0 | 0 | 0 |
| Council Tax Support to Parishes | 95,870 | 95,870 | 0 | 0 | 0 |
| In year adjustments to retained business rates | 0 | (43,010) | 0 | 0 | (43,010) |
| | | | | | |
| **Borough Spend** | **16,266,500** | **15,951,270** | **0** | **0** | **(315,230)** |
| | | | | | |
| Reimbursement of lump sum pension payment | 1,266,000 | 1,266,000 | | | |
| Contribution to/(draw from) Balances adjusted for movements detailed in 1.3, 1.4 and 1.5 below | 915,060 | 1,230,290 | | | |
| | | | | | |
| **Borough Requirement** | **18,447,560** | **18,447,560** | | | |

1.3 Over the period April to September 2016 service managers have continued to take every opportunity to reduce costs and increase income in line with the now embedded culture of active management of service costs. A summary of the budget movements is shown below. The saving, in 2016/2017 is estimated to be £315,230.

| **Detail** | **Monitoring Report** | **£** |
|---|---|---|
| Open Cemeteries grave digging expenditure | June | (28,310) |
| Transfer to capital reserves to fund office modifications Regis Place | June | 10,000 |
| Regeneration Projects - grounds maintenance recharge | August | (94,120) |
| Devolution – costs of support (legal etc) | August | 20,000 |
| Coastal Defence repairs and maintenance | August | 20,000 |
| Internal Drainage Board Levies | August | (2,500) |
| Additional Turnover Savings | April to September | (14,790) |
| Car Parks income | September | (140,000) |
| Transfer to reserve for Town Centre Promotions – to be used as a contingency for future years events | September | 50,000 |
| Crematorium income | September | (37,500) |
| Transfer to capital reserve to fund additional parking spaces at the Crematorium | September | 20,000 |
| Shops rental income | September | 25,000 |
| Planning fee income | September | (100,000) |
| Retained Business Rates (in year adjustments) | September | (43,010) |
| | | |
| **Total Reduction in Borough Spend** | | **(315,230)** |
| | | |
| **Impact on Funding Increase in contribution to the General Fund Balance** | | **(315,230)** |

The net changes to the budget as at 30 September 2016 results in a contribution to balances of £1,230,290 in 2016/2017 compared to a contribution of £915,060 originally included in the budget 2016/2017 as approved at Council on 25 February 2016. The general fund balance is detailed in 4.1 below.

1.4 Additionally the following in year transfers between service areas were reported. These transfers have nil effect on the bottom line.

| | | |
|---|---|---|
| Turnover Savings | April to September | 175,000 |
| Rural Transport | June | 20,600 |
| Town Centre Promotions - Hanse | June | 10,000 |
| Community Transport | September | 95,290 |

## 2. Projections 2017/2018, 2018/2019 and 2019/2020

2.1 Flowing through to the projections from the budget amendments, list above in 1.3, estimated savings in 2017/2018 are £94,620, £136,530 in 2018/2019 and £137,250 in 2019/2020.

| Detail | Monitoring Report | Projection 2017/2018 | Projection 2018/2019 | Projection 2019/2020 |
|---|---|---|---|---|
| | | | | |
| Open Cemeteries - Grave digging | June | (28,310) | (28,310) | (28,310) |
| Regeneration Projects - Grounds maintenance recharge | August | (99,520) | (99,520) | (99,520) |
| Environment and Planning – Coastal Defence | August | 20,000 | 20,000 | 20,000 |
| Retained Business Rates | September | (34,290) | (28,700) | (29,420) |
| Rental Income | September | 47,500 | 0 | 0 |
| | | | | |
| **Total Reduction in Borough Spend** | | **(94,620)** | **(136,530)** | **(137,250)** |
| | | | | |
| **Impact on Funding Increase in contribution to the General Fund Balance** | | **(94,620)** | **(136,530)** | **(137,250)** |

2.1 Any further movements which may be identified as part of the ongoing monitoring process will be reported in the monthly monitoring reports and Cabinet updated as part of the Budget Report in February 2017.

## 3. Cost Reduction Programme 2016/2020

3.1 A balanced budget is presented in The Financial Plan 2015/2020, supported by transfers from the general fund balance. The continuing reductions in central government funding will require the Council to further reduce costs/increase income. The next phase of the cost reduction programme includes proposals for delivering the target savings and as these are achieved the savings will be reported as part of the monthly monitoring report.

3.2 Where savings are achieved in advance of 2020/2021 these are being transferred to reserves to fund investment in major capital projects which will provide future revenue income.

| **Service Area** | **2016/2017 Saving £** | **2017/2018 Saving £** | **2018/2019 Saving £** | **2019/2020 Saving £** |
|---|---|---|---|---|
| Car Parking Operations | 20,000 | 20,000 | 20,000 | 20,000 |
| CCTV | 22,000 | 28,000 | 28,700 | 29,420 |
| Civic Hospitality | 4,650 | 4,650 | 4,650 | 4,650 |
| Financial Services | 14,500 | 16,060 | 16,180 | 16,310 |
| Perform & Efficiency Team | 9,070 | 9,320 | 9,580 | 9,850 |
| Print Room | 24,730 | 70,860 | 70,860 | 70,860 |
| **Total to Date** | **94,950** | **148,890** | **149,970** | **151,090** |

## 4. General fund Balance

4.1 The table below shows the impact on the general fund balance from the changes detailed in this report.

| | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Balance brought forward (as per the Statement of Accounts 2015/2016)** | (5,735,034) | (8,231,324) | (5,074,114) | (5,061,834) |
| Reimbursement of the lump sum pension payment | (1,266,000) | 3,175,000 | (1,501,000) | (1,674,000) |
| Estimated (Contribution to)/Draw from Balances approved at Council 25 February 2016 | (915,060) | 76,830 | 1,649,810 | 2,521,370 |
| (Contribution to)/Draw from Balances - updated for monitoring to September 2016 and detailed at tables 1.3 and 2.6 | (315,230) | (94,620) | (136,530) | (137,250) |
| **Balance carried forward** | **(8,231,324)** | **(5,074,114)** | **(5,061,834)** | **(4,351,714)** |
| **Minimum requirement set at Council 25 February 2016** | | | | |
| 5% of Budget Requirement | (922,378) | (891,278) | (841,026) | (831,792) |
| Bellwin | (37,340) | (37,340) | (37,340) | (37,340) |
| **Balance Required** | **(959,718)** | **(928,618)** | **(878,366)** | **(869,132)** |

4.2 This table will be revised as part of the refreshed Financial Plan 2017/2021 which will be presented to Cabinet and Council in February 2017.

## 5. Policy Implications

None

## 6. Statutory Considerations

None

## 7. Consultations

Management Team

## 8. Access to Information

Cabinet Reports
The Financial Plan 2015/2020
Monthly Monitoring Reports 2016/2017