

Item

Environment and Community Scrutiny Committee

2017/18 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Communities Portfolio

To:

Councillor Johnson, Executive Councillor for Communities

Report by:

Chief Executive, Strategic Directors, Head of Finance

Date:

28 June 2018

Wards affected:

(All) Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Key Decision

1. Executive Summary

1.1 This report presents, for the Communities Portfolio :

- a) A summary of actual income and expenditure compared to the final budget for 2017/18 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2018/19.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals for consideration by the Executive Councillor for Finance and Resources at the Strategy and Resources Scrutiny Committee on 2 July 2018:

- a) Carry forward requests of £496k capital resources from 2017/18 to 2018/19 to fund rephased net capital spending, as detailed in Appendix D.
- b) Allocation of an additional £100,000 from General Fund reserves to be made available for the Community Grants budget in 2019/20 to help fund projects delivered by the voluntary and community sector which will reduce poverty.

3. Background

Revenue Outturn

- 3.1 The overall revenue budget outturn position for the Communities Portfolio is given in the table below. Detail, by service grouping, is presented in **Appendix A**.

2016/17 £'000	Communities Portfolio Revenue Summary	2017/18 £'000	% Final Budget
7,548	Original Budget	7,349	98.3
60	Adjustment – Prior Year Carry Forwards	21	0.3
(42)	Adjustment – Service Restructure Costs	-	-
0	Adjustment – Earmarked Reserves	133	1.7
(188)	Adjustment – Capital Charges	13	0.2
0	Adjustment – Central & Support reallocations	-	-
0	Other Adjustments	(39)	(0.5)
7,378	Final Budget	7,477	100.0
7,228	Outturn	7,494	100.2
(150)	(Under) / Overspend for the year	18	0.2
21	Carry Forward Requests	0	-
(129)	Resulting Variance	18	0.2

- 3.2 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for this Portfolio for 2017/18. The original revenue budget for 2017/18 was approved by the Executive Councillor for Communities on 17 January 2017.
- 3.3 **Appendix B** provides explanations of the main variances.
- 3.4 **Appendix C** lists revenue carry forward requests.

Capital Outturn

- 3.5 The overall capital budget outturn position for the Communities Portfolio is given in the table below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.

2016/17 £'000	Communities Portfolio Capital Summary	2017/18 £'000	% Final Budget
732	Final Budget	803	100.0
675	Outturn	334	41.6
(57)	Variation - (Under)/Overspend for the year	(469)	58.4
74	Rephasing Requests	496	61.8
17	Variance	27	3.4

- 3.6 The majority of the rephasing relates to grants to external schemes with various reasons for delays including procurement, discovery of asbestos and community use agreement negotiations.

4. Implications

- 4.1 The net variance from the final budget (see above), would result in an increased use of General Fund reserves of £18k, with no carry forward requests.

4.2 A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have financial, staffing, equality and poverty, environmental, procurement or community safety implications.

(a) Financial Implications

Any financial implications are included in the Appendices.

(b) Staffing Implications

Any staffing implications are included in the Appendices.

(c) Equality and Poverty Implications

Any equality or poverty implications are included in the Appendices.

(d) Environmental Implications

Any environmental implications are included in the Appendices.

(e) Procurement Implications

Any procurement implications are included in the Appendices.

(f) Community Safety Implications

Any Community Safety Implications are included in the Appendices.

5. Consultation and communication considerations

Public consultations are undertaken throughout the year and can be seen at:

[cambridge.gov.uk/current-consultations](https://www.cambridge.gov.uk/current-consultations)

6. Background papers

These background papers were used in the preparation of this report:

- Closedown Working Files 2017/18
- Directors' Variance Explanations – March 2018
- Budgetary Control Reports to 31 March 2018
- Capital Monitoring Reports – March 2018

7. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Revenue Summary for this portfolio	✓
B	Revenue Major Variances for this portfolio	✓
C	Carry Forward Requests for this portfolio	✓
D	Capital Summary for this portfolio	✓

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Authors' Names: John Harvey
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Communities Portfolio / Environment and Community Scrutiny Committee
Revenue Budget 2017/18 - Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn £	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Community Services						
Children and Youth	562,470	571,540	590,255	18,715		18,715
Community Centres	845,940	854,810	698,924	(155,886)		(155,886)
Community Services Admin	485,370	527,970	500,294	(27,676)		(27,676)
Cultural and Community	1,118,150	1,151,510	1,419,284	267,774		267,774
Grants	1,118,080	1,118,080	1,116,052	(2,028)		(2,028)
Neighbourhood Community Development	478,550	521,960	499,988	(21,972)		(21,972)
Sport & Recreation	2,684,780	2,675,080	2,613,916	(61,164)		(61,164)
	7,293,340	7,420,950	7,438,713	17,763	0	17,763
Environmental Services - Streets and Open Spaces						
Green Fingers (previously Employment Foundation)	55,630	55,630	55,630	0		0
	55,630	55,630	55,630	0	0	0
Total Net Budget	7,348,970	7,476,580	7,494,343	17,763	0	17,763

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- via technical adjustments/virements throughout the year

Communities Portfolio / Environment and Community Scrutiny Committee

Revenue Budget 2017/18 - Major Variances
from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Community Centres	<p>£27k The Meadows: Non essential maintenance works have been put on hold due to the Community Facilities Review. We have also managed to achieve more income from room hire than anticipated.</p> <p>£101k Clay Farm: revenue spend up until 14.2.18 (handover) has been met from contractual compensation arising from construction delays - resulting in an anticipated underspend.</p> <p>£28k net overachievement of income at other centres</p>	(155,886)	Sally Roden
Community Services Admin	There has been a planned underspend against our facilities maintenance code in order to offset some of the additional costs relating to the Cambridge Live contract.	(27,676)	Cathy Heath
Cultural and Community	<p>There have been a range of additional costs in respect of the Corn Exchange or Cambridge Live contract, which can be itemised as follows:</p> <p>a) Maintenance (landlord responsibility) £44,000</p> <p>b) City Events - agreed additional costs due to new HSE guidance £48,000</p> <p>c) Funding agreed for legal advice in lieu of Retained Services Agreement (RSA) £5,000</p> <p>d) Funding agreed for financial support in lieu of RSA £5,000</p> <p>e) Business plan advice to the Council £30,000</p> <p>f) CL set up costs - loan provision £124,760</p>	267,774	Jane Wilson
Sport & Recreation	<p>The main underspends on the Leisure Management / Contract are due to:</p> <p>a) £8k Contract Variations – This is a sum allocated for any variation to the leisure contract from utility bill increases to major plant failure. This year we have managed a planned underspend to support additional costs relating to the Cambridge Live contract.</p> <p>b) £19k Discretionary Rate Relief: The pools have been revalued for Rates and they have come down and hence the under spend now showing against the DRR allocation within the budget based on previous years' DRR payments.</p> <p>c) £37k Contract Sums – The discrepancy has arrived from the compounded annual inflation added to the contract budget sum over the last 5 years. It is the difference from the CPI inflation rate that the contract sum is actually inflated by. The contract sum is inflated by September's CPI rate and over the previous three years this has been very low - hence the gap between the actual and budget allocation. This gap will close quite quickly if the CPI for September continues to exceed the 2.25% used to inflate the Council budget - this year CPI was 2.8% in Sept 2017.</p>	(61,164)	Ian Ross
Other	Grants, Children and Youth, Neighbourhood Community Development	(5,285)	-
Total		17,763	

**Communities Portfolio / Environment and Community Scrutiny
Committee**

Revenue Budget 2017/18 - Carry Forward Requests

Request to Carry Forward Budgets from 2017/18 into 2018/19

Item	Reason for Carry Forward Request	Amount £	Contact
	No carry forwards are requested for this portfolio		
	Total Carry Forward Requests for Communities Portfolio		

Communities Portfolio / Environment and Community Scrutiny Committee

Capital Budget 2017/18 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2017/18	Final Budget 2017/18	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
UD034j - 100029	[Part A] Pavilion facilities at Jesus Green (S106)	I Ross	0	0	0	0	0	0	Ongoing - scoping works - Committee report coming in June 2018 to get direction of investment and secure feasibility study funds.
PR031g - (100039)	Milton Rd Library Community Meeting Space (S106)	J Hanson	50	50	0	(50)	50	0	Project delayed due to discovery of asbestos. Completion not expected until 2019.
PR032g - 100041	Cherry Hinton Rec Ground pavilion refurb. (S106)	I Ross	5	5	42	37	0	37	Project completed.
PR034p - 100053	Cambridge 99 Rowing Club: grant for kitchen facilities (S106)	I Ross	5	5	5	0	0	0	Project completed.
PR034n - 100062	Cambridge Gymnastics Academy: grant for warehouse conversion	I Ross	65	65	0	(65)	65	0	School and Camb Gymnastics club have taken 2 years to agree the lease. This feeds into the community Agreement which when signed releases the funds. Work is now ongoing to be able to sign Community Use Agreement in May/June 18
PR034r - 100064	Cambridge Rugby Club: grant for new changing rooms (S106)	I Ross	200	200	200	0	0	0	Project completed - Works still ongoing at the Club for some aspects of their wider development but facilities now open for public use
PR041a - 100090	Grant for refurbishment of Memorial Hall and church Hall (S106)	J Hanson	150	150	0	(150)	150	0	Contractor now appointed after some delay - works to commence on 21st May '18 with a completion date of 29th September '18
PR031n - 100099	Grant for 4 tennis courts at North Cambridge Academy (S106)	I Ross	125	125	0	(125)	125	0	Community Use Agreement currently being finalised and when signed will release the funds to the Academy. Expected in June 2018
PR033j - 100103	Tennis court upgrade on Lammas Land (S106)	I Ross	45	45	39	(6)	0	(6)	Project completed - Project delivered under budget mainly due to being able to use an existing stock of cycle racks.
PR041b - 100108	Grant to Cambridge Gymnastics Academy for trampoline and foam pit in gym (S106)	I Ross	75	75	0	(75)	75	0	School and Camb Gymnastics club have taken 2 years to agree the lease. This feeds into the community Agreement which when signed releases the funds. Work is now ongoing to be able to sign Community Use Agreement in May/June 18
PR032i - 100113	Grant to improve community facilities at Lutheran Church on Shaftesbury Road (S106)	J Hanson	10	10	10	0	0	0	Project completed April 2017.
PR041d - 100119	Grant to Camrowers and CRA Boathouse (S106)	I Ross	9	9	9	0	0	0	Project completed - Centre open and funds paid
PR033 - 100128	Improvements to Histon Road Rec Ground football area (S106)	I Ross	31	31	0	(31)	31	0	Procurement for works completed and final sign off from Area Committee Chairs and Spokes due on 08/05/2018 for release of Area funds and Approval for commencement of works.
SC630 - 100134	Abbey Pools solar thermal upgrade	I Ross	33	33	29	(4)	0	(4)	Project completed - came in under budget
Total Projects			803	803	334	(469)	496	27	
Total for Communities Portfolio			803	803	334	(469)	496	27	

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFs)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- via technical adjustments/virements throughout the year