

Decision Maker: Renewal & Recreation Portfolio Holder

For Pre-decision scrutiny by the Renewal & Recreation PDS Committee

Date: 10 July 2012

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN 2011/12

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Chief Officer: Marc Hume, Director of Renewal and Recreation

Ward: Boroughwide

1. Reason for report

This report provides the Renewal and Recreation Portfolio Holder with the provisional outturn position for 2011/12. This shows an underspend of £131k.

2. **RECOMMENDATION(S)**

The Portfolio Holder is requested to endorse the 2011/12 provisional outturn for the Renewal & Recreation Portfolio.

Corporate Policy

1. Policy Status: Existing policy. Sound financial management
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: Estimated cost N/A
 2. Ongoing costs: Non-recurring cost.
 3. Budget head/performance centre: Renewal & Recreation Portfolio Budgets
 4. Total current budget for this head: £17.5m
 5. Source of funding: Existing revenue budgets 2011/12
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Staff

1. Number of staff (current and additional): 325ftes
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory requirement. The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000 and the Local Government Act 2002
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The services covered in this report affect all Council Taxpayers, Business Ratepayers, those who owe general income to the Council, all staff, Members and Pensioners.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The 2011/12 provisional outturn for the Renewal and Recreation Portfolio is an underspend of £131k representing a 1.28% variation against the controllable budget of £10.23m. This compares with a previously projected variation of £101k at the March 2012 PDS meeting. The detailed variations are shown in Appendix 1.
- 3.2 The variation of £131k includes £100k of carry forward requests relating to the Local Development Framework and libraries. The details of these carry forward requests are summarised below in the financial section and in Appendix 1.
- 3.3 Costs attributable to individual services have been classified as “controllable” and “non-controllable” in Appendix 1. Budget holders have full responsibility for those budgets classified as “controllable” as any variations relate to those factors over which the budget holder has, in general, direct control. “Non-controllable” budgets are those which are managed outside of individual budget holder’s service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include, for example, building maintenance costs and property rents which are managed by the Property Division but are allocated within individual departmental/portfolio budgets to reflect the full cost of the service. As such, any variations arising are shown as “non-controllable” within services but “controllable” within the Resources Portfolio. Other examples include cross departmental recharges and capital financing costs. This approach, which is reflected in financial monitoring reports to budget holders, should ensure clearer accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the “controllable” budget variations relating to portfolios in considering financial performance. These variations will include the costs related to the recession.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan for 2011/12 includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley’s Best Value Performance Plan “Making a Difference” refers to the Council’s intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2011/12 to minimise the risk of compounding financial pressures in future years.
- 4.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council’s budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 The controllable budget for the Renewal and Recreation Portfolio is projected to be underspent by £131k. Some of the major variations are summarised below with more detailed explanations included in Appendix 1.
- 5.2 A £110k provision has been set aside in the R & R redundancy earmarked reserve to meet some of the potential costs that may arise as a result of the staffing reorganisation within the Adult Education Service.

- 5.3 Reduced activity in building control has continued due to the on-going effect of the recession. Income was £277k below budget and has been partly offset by £195k savings as a result of sustained management action such as holding 3.5fte vacant and the charging account surplus of £75k carried forward from 2010/11.
- 5.4 Income for planning applications was £314k below budget. This was partly offset by savings from management action including holding the equivalent of 8fte posts vacant (Cr £277k) and additional miscellaneous income of £28k. Further savings of £131k from part year vacancies and management action within the Renewal section of Planning has more than offset this deficit.
- 5.5 Legal costs relating to planning appeals that have been lost during the year total £49k. This amount has been offset by underspends across the department rather than drawing down from the central contingency sum which has £150k specifically set aside for these costs.
- 5.6 Due to delays in the Government's response to the consultation on its draft National Planning Policy Framework, the authority has not been able to fully implement its changes to meet the framework. As a result, a carry forward request will be submitted to the Executive as part of the closing of accounts process to seek approval to carry forward the £60k of the £75k underspend into 2012/13 to continue the statutory project.
- 5.7 Other variations include Cr £52k within the Field Studies Centre as previously reported.
- 5.8 There is an underspend of £42k against the library budgets due to works relating to the merging of the shared service library stack store taking place in April/May of 2012. A request is being submitted to the Executive to carry forward £40k of this underspend to meet the outstanding commitments for the one-off costs of the shared service.
- 5.9 A more detailed explanation of the variances is attached in Appendix 1.

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	2011/12 budget monitoring files within ES finance section