

Decision Maker: Renewal & Recreation Portfolio Holder

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

Date: 17 January 2013

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2012/13

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Chief Officer: Marc Hume, Director of Renewal and Recreation

Ward: Boroughwide

1. Reason for report

This report provides an update of the latest budget monitoring position for 2012/13 for the Renewal and Recreation Portfolio based on expenditure and activity levels up to 30th November 2012. This shows a projected underspend of £10k for the total portfolio budget.

It also reports the level of expenditure and progress with the implementation of the selected projects within the Member Priority Initiatives.

2. **RECOMMENDATION(S)**

2.1 The Portfolio Holder is requested to endorse the latest 2012/13 budget projection for the Renewal & Recreation Portfolio.

2.2 Note the progress of the implementation of the Renewal and recreation projects within the Member Priority Initiatives.

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: £13.5m
 5. Source of funding: Existing revenue budgets 2012/13
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Staff

1. Number of staff (current and additional): 301ftes
 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 2012/13 projected outturn is detailed in Appendix 1, with a forecast of projected spend for each division compared to the latest approved budget and identifies in full the reason for any variances.
- 3.2 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.
- 3.3 Council on 26th March 2012 approved the setting aside of £2.260m in an earmarked reserve for Member priority initiatives. The Renewal and Recreation Portfolio is responsible for the delivery of three initiatives as detailed below: -

Member priority Initiatives	£'000
Investing in small shopping parades	250
Becekenham Town Centre public realm improvements	250
Support tackling youth unemployment amongst young people	500
	<u>1,000</u>

- 3.4 Appendix 2 has details of the progress of each of the schemes.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan for 2012/13 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 2012/13 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 Although the total Portfolio budget shows a projected underspend of £10k, the controllable budget for the Renewal and Recreation Portfolio is projected to be overspent by £20k by the year end based on financial activity to 30th November 2012. Some of the major variations are summarised below with more detailed explanations included in Appendix 1.
- 5.2 Reduced activity in building control is continuing due to the on-going effect of the recession. Income is expected to be £180k below budget and is being offset by £180k savings as a result of sustained management action such as holding 3.7fte vacant.
- 5.3 Income for planning applications is below budget and a shortfall of £350k is projected. This is being partly offset by additional income of £50k from pre-application meetings and savings from management action including holding the equivalent of 6.6fte posts vacant (Cr £280k). Further savings of £12k from part year vacancies and running expenses are projected within the Renewal section of Planning.
- 5.4 As part of the responsibility of collecting the Mayor's Community Infrastructure Levy (CIL) on behalf of the Mayor, initial set up costs have been incurred for the purchase of special software to monitor the income and slower than anticipated receipt of the CIL income. It is hoped that income generated in the next two years will offset these costs in accordance with the legislation.
- 5.5 There are several variations within the library service as detailed in Appendix 1, however a balanced budget is projected overall.
- 5.6 As a result of the deferral of one of the savings initiatives within the Housing strategy and Development team has meant that a small overspend is projected of £12k.
- 5.7 Appendix 2 shows that £57k has been spent or committed out of the £1m set aside for the three projects within the Member priority initiatives. It also has comments on the progress of each of the schemes.

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	2012/13 budget monitoring files within ES/R & R finance section