

**Decision Maker:** Renewal & Recreation Portfolio Holder

**For Pre-decision Scrutiny by the Renewal and Recreation  
PDS Committee**

**Date:** 11 June 2013

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** PROVISIONAL OUTTURN 2012/13

**Contact Officer:** Claire Martin, Head of Finance  
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**Chief Officer:** Marc Hume, Director of Renewal and Recreation

**Ward:** Boroughwide

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1. Reason for report

This report provides the Renewal and Recreation Portfolio Holder with the provisional outturn position for 2012/13. This shows an overspend of £27k.

It also reports the level of expenditure during 2012/13 for the selected projects within the Member Priority Initiatives.

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2. **RECOMMENDATION(S)**

- 2.1 The Portfolio Holder is requested to endorse the 2012/13 provisional outturn for the Renewal & Recreation Portfolio.
- 2.2 Note the expenditure for 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: £33.5m
  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 provisional outturn for the Renewal and Recreation Portfolio is an overspend of £27k representing a 0.29% variation against the controllable budget of £9.44m. This compares with a previously projected variation of Cr £40k. The detailed variations are shown in Appendix 1.
- 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 26<sup>th</sup> 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: -

<b>Member priority Initiatives</b>	<b>£'000</b>
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 2012/13 spend for 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 The controllable budget for the Renewal and Recreation Portfolio is overspent by £27k. Some of the major variations are summarised below with more detailed explanations included in Appendix 1.
- 5.2 Reduced activity in building control has continued due to the on-going effect of the recession. Income was £154k below budget and was more than offset by £163k savings as a result of sustained management action such as holding 2.0ftes vacant. Overall there was a net underspend of £20k from the non-chargeable service.
- 5.3 Income for planning applications was below budget by £449k. This was partly offset by additional income of £49k from pre-application meetings and savings from management action including holding the equivalent of 6.8fte posts vacant (Cr £380k). There are also further savings of £29k from part year vacancies and running expenses 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, resulting in a net overspend of £16k. It is hoped that income generated in the next two years will offset these costs in accordance with the legislation.
- 5.5 A provision of £100k has been raised that relates to a Tree Preservation Order. Members should note that there is a potential claim for damages to property following the refusal of consent to fell a tree.
- 5.6 There are actual and expected costs totalling £100k which are the direct result of losing planning appeals. Executive approval has resulted in a drawdown of £100k from the specific central contingency sum set aside, enabling these costs to be fully met. Members should note that there is a separate report on Planning Appeal costs elsewhere on this agenda.
- 5.7 The monies carried forward of £60k for the preparation of the Local Development Framework (LDF) have not been spent, however they are now required for the preparation of the Borough's Local Plan (LP) in 2013 to 2015. This money is needed to fund the examination in public and associated work which is due to take place in 2014. The precise timing of the examination is determined by the Planning Inspectorate and is therefore outside the Council's control. A request will be made to the June Executive to carry forward the £60k in order to meet these costs.
- 5.8 There are several variations within the library service as detailed in Appendix 1, however a balanced budget is projected overall.
- 5.9 As a result of the deferral of one of the savings initiatives within the Housing strategy and Development team there is a small overspend of £12k.

5.10 A summary of the variations is shown in the table below: -

<b>Summary of major variations</b>	<b>£'000</b>
Shortfall of building control income	154
Savings from management action	(163)
Net shortfall of planning income	400
Savings from management action	(380)
Cil overspend	16
Appeal costs	100
Drawdown from central contingency	(100)
Underspend within renewal section	(29)
Underspend of Carry forward sum for LDF	(60)
Provision for damages claim relating to a TPO	100
Other net variations across the Portfolio	(11)
<b>Net variation for Portfolio</b>	<u><u>27</u></u>

5.11 Appendix 2 shows that £62k has been spent during 2012/13 out of the £1m set aside for the three projects within the Member priority initiatives.

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