

## Renewal and Recreation Budget Monitoring Summary

| 2012/13<br>Actuals<br>£'000 | Division<br>Service Areas                   | 2013/14<br>Original<br>Budget<br>£'000 | 2013/14<br>Latest<br>Approved<br>£'000 | 2013/14<br>Projected<br>Outturn<br>£'000 | Variation<br>£'000 | Notes | Variation<br>Last<br>Reported<br>£'000 | Full Year<br>Effect<br>£'000 |
|-----------------------------|---|--|--|--|--------------------|-------|--|------------------------------|
|                             | <b>R&amp;R PORTFOLIO</b>                    |  |  |  |                    |       |  |                              |
| 0                           | <b>Commissioning Fund</b>                   |  |  |  |                    |       |  |                              |
|                             | Commissioning Fund                          | 0                                      | 0                                      | 0  | 0                  |       | 0                                      | 0                            |
| <b>0</b>                    |   | <b>0</b>                               | <b>0</b>                               | <b>0</b>                                 | <b>0</b>           |       | <b>0</b>                               | <b>0</b>                     |
| (4)                         | <b>Housing Strategy &amp; Development</b>   |  |  |  |                    |       |  |                              |
|                             | Housing Strategy & Development              | Cr 18                                  | Cr 16                                  | Cr 16                                    | 0                  |       | 0                                      | 0                            |
| <b>(4)</b>                  |   | <b>Cr 18</b>                           | <b>Cr 16</b>                           | <b>Cr 16</b>                             | <b>0</b>           |       | <b>0</b>                               | <b>0</b>                     |
|                             | <b>Planning</b>                             |  |  |  |                    |       |  |                              |
| 3                           | Building Control                            | Cr 7                                   | 1                                      | Cr 16                                    | Cr 17              | 1     | Cr 17                                  | 0                            |
| (165)                       | Land Charges                                | Cr 169                                 | Cr 168                                 | Cr 168                                   | 0                  |       | 0                                      | 0                            |
| 939                         | Planning                                    | 582                                    | 705                                    | 585                                      | Cr 120             | 2     | Cr 125                                 | 0                            |
| 1,240                       | Renewal                                     | 1,127                                  | 1,151                                  | 1,086                                    | Cr 65              | 3     | 10                                     | 0                            |
| <b>2,017</b>                |   | <b>1,533</b>                           | <b>1,689</b>                           | <b>1,487</b>                             | <b>Cr 202</b>      |       | <b>Cr 132</b>                          | <b>0</b>                     |
|                             | <b>Recreation</b>                           |  |  |  |                    |       |  |                              |
| 2,313                       | Culture                                     | 2,036                                  | 2,049                                  | 2,049                                    | 0                  |       | 0                                      | 0                            |
| 4,841                       | Libraries                                   | 4,762                                  | 4,819                                  | 4,924                                    | 105                | 4     | 95                                     | 0                            |
| 304                         | Town Centre Management & Business Support   | 249                                    | 251                                    | 251                                      | 0                  |       | 0                                      | 0                            |
| <b>7,458</b>                |   | <b>7,047</b>                           | <b>7,119</b>                           | <b>7,224</b>                             | <b>105</b>         |       | <b>95</b>                              | <b>0</b>                     |
| <b>9,471</b>                | <b>Total Controllable R&amp;R Portfolio</b> | <b>8,562</b>                           | <b>8,792</b>                           | <b>8,695</b>                             | <b>Cr 97</b>       |       | <b>Cr 37</b>                           | <b>0</b>                     |
| 22,045                      | <b>TOTAL NON CONTROLLABLE</b>               | 1,812                                  | 2,007                                  | 2,005                                    | Cr 2               | 5     | 0                                      | 0                            |
| 2,052                       | <b>TOTAL EXCLUDED RECHARGES</b>             | 2,260                                  | 2,201                                  | 2,201                                    | 0                  |       | 0                                      | 0                            |
| <b>33,568</b>               | <b>PORTFOLIO TOTAL</b>                      | <b>12,634</b>                          | <b>13,000</b>                          | <b>12,901</b>                            | <b>Cr 99</b>       |       | <b>Cr 37</b>                           | <b>0</b>                     |

## Reconciliation of Final Budget

£'000

## Original budget 2013/14

12,634

Repairs and Maintenance carry forward from 2012/13

195

Allocation of Localisation &amp; Conditions Pay Awards

94

Centralisation of training budgets

Cr 4

Local Plan Implementation carry forward from 2012/13

60

Drawdown of central contingency funds re increased fuel costs

21

## Latest Approved Budget for 2013/14

13,000

## **REASONS FOR VARIATIONS**

### **1. Building Control Cr £17k**

For the chargeable service, an income deficit of £65k is anticipated based on information to date. This is being offset by a projected underspend within salaries of £60k arising from reduced hours working / vacancies, and £5k from across running expenses.

Within the non-chargeable service, as a result in delays in not appointing to vacant posts, there is a projected underspend of £17k.

### **2. Planning Cr £120k**

Income from non-major planning applications is £38k below budget for the first eight months of the year, and a deficit of £55k is projected for the year. Actual income for the period April to November 2013 is £30k higher than that received for the same period last year, and is largely attributable to the 15% price increase that was introduced in November 2012.

For major applications, £338k has been received as at 30th November. Additionally, a further £9k has been received during the first week of December. Therefore, total income to date is £347k. Planning officers within the majors team have provided a schedule of additional potential income that may be received in the coming months of approximately £200k. A surplus of £125k is projected from major applications at this stage of the year, allowing for delays to a few of the proposed developments.

This projected surplus is due to a large number of major applications that require a higher fee. There appears to be growing optimism in the market but the trend is relatively volatile, and therefore this surplus is not currently expected to continue into 2014-15.

There is a projected deficit within income from the address management service of £5k due to lower volumes than previously anticipated.

There are projected surpluses within pre-application income of £40k, and income from discharge of planning conditions of £5k, both due to higher activity levels than previously anticipated.

A projected underspend across planning salary budgets of £45k is expected, largely due to a combination of recent departures, reduced working hours and part-vacancies.

At this stage, there is a potential net overspend within legal expenses of £35k. This is mainly due to the projected costs of a public enquiry expected to be held in February 2014. The situation will continue to be closely monitored and major variations reported back to Members.

| <b>Summary of variations within Planning</b> | <b>£'000</b>  |
|--|---------------|
| Surplus income from non-major applications   | 55            |
| Surplus income from major applications       | Cr 125        |
| Income deficit within address management     | 5             |
| Surplus income from pre-applications         | Cr 40         |
| Surplus income from discharge of conditions  | Cr 5          |
| Staffing                                     | Cr 45         |
| Legal expenses                               | 35            |
| <b>Total variation for Planning</b>          | <b>Cr 120</b> |

### **3) Renewal Cr £65k**

There is a projected overspend within Renewal salaries of £10k. This is largely due to employing more expensive agency cover as backfill for a secondment to planning section.

Within Planning Strategy & Projects, there is a projected underspend across running expenses of £15k. This is largely due to the delayed preparatory work on the Infrastructure Delivery Plan (IDP) as a result of the ongoing work within the three economic growth areas (Biggin Hill, Cray Business Corridor and Bromley Town Centre).

The Executive agreed to carry forward £60k for the preparation of the Borough's Local Plan (LP). This was intended to fund the examination of the plan in public and associated work which are now due to take place later than expected, in early 2015. 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 unspent £60k in order to meet the future costs of the examination in public and to undertake any further evidence work required.

| <b>Summary of variations within Renewal</b>                      | <b>£'000</b> |
|--|--------------|
| Overspend on salaries  | 10           |
| Underspend across strategy & projects running expenses           | Cr 15        |
| Local Plan Implementation (c/fwd request to be made at year-end) | Cr 60        |
| <b>Total variation for Renewal</b>                               | <b>Cr 65</b> |

#### **4) Libraries Dr £105k**

There is an overspend within Library IT budgets of £65k. This is largely due to delays incurred in the replacement of the Library Management System (LMS) and additional costs associated with the transfer of data between the current and incumbent LMS suppliers.

There is a projected income deficit of £40k. This comprises of a deficit of £34k on income from library fines, and a net deficits of £6k across other items. Year on year customers are borrowing fewer items overall which is having an adverse effect on income budgets.

Within the electricity budget, there is a projected overspend of £21k. Unit prices have risen by an average of 7.5% for 2013-14 compared to 2012-13. The full-year effect of this increased cost is projected to be £40k. A request will be made to the Executive to draw down funds allocated for fuel cost increase from the central contingency, both for 2013-14 and 2014-15.

The net overspend across Libraries of £105k is being more than offset by the underspend projected within planning.

#### **5. Non-controllable budgets Cr £2k**

For information, the variation relates to a net deficit within property rental income across the Renewal & Recreation portfolio. Property division are accountable for these variations.

#### **Waiver of Financial Regulations**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive the following waiver has been actioned:

- Point Eight Limited to provide the design and installation of furniture and fittings for the new library in Penge £85k (work will span 2013/14 and 2014/15 but last less than 12 months).

#### **Virements Approved to date under Director's Delegated Powers**

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

Analysis of Members' Initiatives - Earmarked Reserves @ 30.11.13

| Item  | Divison / Service Area                                 | Responsible Officer | Allocation<br>£'000 | Total spend<br>during<br>2012/13<br>£'000 | Spend to<br>Date<br>2013/14<br>£'000 | Commitments<br>& planned<br>expenditure<br>£'000 | Total spend &<br>commitments<br>£'000 | Balance<br>available<br>£'000 | Comments on Progress of<br>Scheme   |
|---|--|---------------------|---------------------|---|--------------------------------------|--|---------------------------------------|-------------------------------|---|
| Investment in small shopping parades            | Recreation - Town Centre Management & Business Support | Martin Pinnell      | 250                 | 17  | 33                                   | 180  | 230                                   | 20                            | At this stage, it is anticipated that the remaining balance of £20k will be spent in 2014/15.               |
| Tackling youth unemployment                     | Recreation - Business Support                          | Hannah Jackson      | 500                 | 0   | 9                                    | 38   | 47                                    | 453                           | This is a 3 year project. Estimated spend for 2014/15 is £243k and for 2015/16 £219k.                       |
| Beckenham Town Centre public realm improvements | Planning - Renewal                                     | Kevin Munnelly      | 250                 | 45  | 34                                   | 21   | 100                                   | 150                           | Remaining balance of £150k to be used as funding for the Beckenham Town Centre Improvement Capital Project. |
| <b>TOTAL</b>                                    |  |                     | <b>1,000</b>        | <b>62</b>                                 | <b>76</b>                            | <b>239</b>                                       | <b>377</b>                            | <b>623</b>                    |   |