

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

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

**Date:** 24<sup>th</sup> June 2015

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

**Title:** PROVISIONAL OUTTURN 2014/15

**Contact Officer:** Claire Martin, Head of Finance  
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**Chief Officer:** Marc Hume, Director of Regeneration & Transformation  
Nigel Davies, Executive Director of Environment & Community Services

**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 2014/15. This shows an under spend of £185k.

It also reports the level of expenditure during 2014/15 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 2014/15 provisional outturn for the Renewal & Recreation Portfolio.
- 2.2 Note the expenditure for the Renewal and Recreation projects within the Member Priority Initiatives.
- 2.3 The Portfolio Holder is requested to approve the drawdown of the carry forward sums of £60k and £40k held in central contingency, to be used to fund the preparation of the Borough's Local Plan and the Noise Action Plan for Biggin Hill Airport as set out in 5.10 to 5.14.

### 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: £22.6m
  5. Source of funding: Existing revenue budgets 2014/15
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### Staff

1. Number of staff (current and additional): 215.5ftes
  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 2014/15 provisional outturn for the Renewal and Recreation Portfolio is an under spend of £185k representing a 2.1% variation against the controllable budget of £8.785m. This compares with a previously projected variation of Cr £65k. 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.

#### **Chief Officer Comments**

- 3.3 Overall, the controllable budget for the Renewal and Recreation Portfolio is underspent by £185k.
- 3.4 As part of the budget setting process for 2014/15 a budget savings target of £150k was included in the culture budget. To date, £90k savings have been identified and under spends across the service has left a net balance of £22k. Further savings have now been identified to ensure that the culture budget will be balanced from April 2015 onwards.
- 3.5 The full years savings of £300k built into the library budget will not be realized until April 2015 due to two factors; the first is that a detailed consultation was undertaken during 2014/15 with both the public and the library staff over options for reducing opening hours and the second is that in order to achieve the reduction in staffing, it was necessary to install the RFID system in the remaining 9 libraries. This installation has now been completed and therefore only part year savings of £100k have been achieved for 2014/15.
- 3.6 Other net variations of Cr £27k, mainly from recent vacancies have resulted in the overall net deficit for the library service reduced to £173k.
- 3.7 The overspend of £200k within Recreation is more than offset by an underspend of Cr £385k within Planning.

#### **Member Priority Initiatives**

- 3.8 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 listed in the table below, with further details of the spend is shown in Appendix 2 : -

**Member Priority Initiatives****Revised Allocation****£'000**

Investing in small shopping parades	250
Beckenham Town Centre public realm improvements	100
Support tackling youth unemployment amongst young people	240
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	<b>590</b>
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**4. POLICY IMPLICATIONS**

- 4.1 “Building a Better Bromley” 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.
- 4.2 The “2014/15 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that budgetary control continues to be exercised in 2014/15 to minimise the risk of compounding financial pressures in future years.
- 4.3 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 underspent by £185k. Some of the major variations are summarised below with more detailed explanations included in Appendix 1.
- 5.2 Within Building Control there is an overall net variation of Cr £39k, largely as a result of delays in not appointing to vacant posts.
- 5.3 Income for planning applications was above budget by £173k, income from pre-application meetings also exceeded the budget by Cr £87k and there was surplus income of Cr £37k from across other income streams. Employee budgets across the service have underspent by Cr £29k, largely due to a combination of recent departures, reduced working hours and part-vacancies. This underspend has more than covered additional legal costs of £72k, relating to the cost of professional advice needed for public enquiries and appeal costs where claims have been successful. Other variations across the service within running expenses total Dr £33k and were mainly directly related to recruitment costs.
- 5.4 The £60k carried forward for the preparation of the Borough’s Local Plan was not spent this financial year as the examination of the plan in public will now not take place until early 2016. A request has been made to the 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.
- 5.5 A sum of £80k was approved to fund work related to the Biggin Hill Airport’s proposal to extend their permitted opening hours. £40k has been spent, leaving an unspent balance of £40k which is needed to complete the work for the Noise Action Plan. A request has been made to the Executive to carry forward this sum to 2015/16.
- 5.6 Due to the detailed consultations that took place for the library service about options to reduce opening hours, the full savings of £300k were not achieved in 2014/15. Overall the library service was overspent by Dr £173k. The full £300k savings will be achieved during 2015/16.
- 5.7 Minor variations across the other services within the Portfolio total Dr £2k.

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

<b>Summary of major variations</b>	<b>£'000</b>
Net underspend within Building Control	(39)
Surplus of income from planning applications	(173)
Other planning income	(124)
Net over spend within planning salaries, legal costs and running expenses	76
Borough's Local Plan (Carry Forward Request)	(60)
Biggin Hill Airport Noise Action Plan (Carry Forward Request)	(40)
Non- achievement of library budget savings as a result of detailed consultation	173
Other minor variations across the Portfolio	2
<b>Net variation for Portfolio</b>	<b>(185)</b>

5.9 Appendix 2 shows that £350k has been spent up until 31 March 2015 out of the £590k set aside for the three projects within the Member priority initiatives.

### **Carry Forward Requests**

#### Local Plan Implementation £60k

5.10 In June 2014, 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 during 2015/16. It is now due to take place later than expected - potentially not until 2016/17. However, the precise timing of the examination is determined by the Planning Inspectorate and is therefore outside the Council's control. A request has been made to the 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. This sum has been set aside in the Central Contingency and approval is sought from the Portfolio Holder to release this carry forward sum.

#### Biggin Hill Airport – Noise Action Plan £40k

5.11 In February 2015, the Executive approved a sum of £55k regarding Biggin Hill Airport's proposal to extend their permitted opening hours. £30k of this has already been spent on a comprehensive borough-wide consultation exercise, and £10k on a technical review of the Airport's Noise Action Plan.

5.12 Subject to Executive Approval in June 2015, a further sum of £25k has been added to the Renewal budget relating to a second phase of work required on the Airport's Noise Action Plan. At year-end, this phase of the work had not yet commenced, although as of writing, work has begun in April/May 2015 and is expected to take several months to complete.

5.13 In addition, there is a further underspend of £15k arising from the first phase of work on the Noise Action Plan. This will act as a contingency and provide a degree of flexibility in the event of any unforeseen or further works required on the project in 2015/16.

5.14 A request has been made to the Executive to carry forward the unspent £40k in order to carry out the Noise Action Plan work. This sum has been set aside in the Central Contingency and approval is sought from the Portfolio Holder to release this carry forward sum.

<b>Non-Applicable Sections:</b>	Legal, Personnel
Background Documents: (Access via Contact Officer)	2014/15 budget monitoring files within ES/R & R finance section