

Decision Maker: Renewal & Recreation Portfolio Holder

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

Date: 27 October 2015

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2015/16

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

Ward: Boroughwide

1. Reason for report

This report provides an update of the latest budget monitoring position for 2015/16 for the Renewal and Recreation Portfolio based on expenditure and activity levels up to 31st August 2015. This shows a projected under spend of £135k 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 2015/16 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: £15.7m
 5. Source of funding: Existing revenue budgets 2015/16
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Staff

1. Number of staff (current and additional): 214.4ftes
 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 2015/16 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.

Member Priority Initiatives

- 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

| | Original Allocation £'000 | Adjustment £'000 | Revised Allocation £'000 |
|--|---------------------------------|---------------------|--------------------------------|
| Investing in small shopping parades | 250 | 0 | 250 |
| Beckenham Town Centre public realm improvements | 250 | -150 | 100 |
| Support tackling youth unemployment amongst young people | 500 | -260 | 240 |
| Total | 1,000 | -410 | 590 |

- 3.4 £150k of the sum for Beckenham Town Centre has been set aside to match fund the capital scheme and £260k of the tackling youth unemployment project has been transferred to the Phase 2 project which will be delivered by the Bromley Education Business Partnership.

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 “2015/16 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that budgetary control continues to be exercised in 2015/16 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 projected to under spend by £135k based on the financial information available as at 31st August 2015.

- 5.2 Within Building control, there is a net projected underspend of £35k within the staffing budget due to vacant posts.
- 5.3 Additional income of £240k projected within Planning. This has been used to fund two temporary planning posts and consultants to help deal with the extra volume of work from the increase in planning applications, especially where specialist advice was required (Dr £140k). An overspend of Dr £30k is projected as a direct result of losing planning appeals.
- 5.4 A net underspend is projected for staffing within the Planning Strategy and Projects team, due to part year vacancies
- 5.5 Overall, the Recreation budget is projecting a balanced budget. The projected overspend for the Priory of Dr £31k has been offset by an under spend of Cr £31k on Library salaries.
- 5.6 The table below summarises the main variances: -

Summary of Major Variations

| | £'000 |
|---|----------------------|
| Underspend on Building Control staffing | Cr 35 |
| Income from non-major planning applications | Cr 80 |
| Income from major planning applications | Cr 50 |
| Surplus income from pre-application meetings | Cr 60 |
| Surplus street naming & numbering income | Cr 50 |
| Additional temporary planning staff | 50 |
| Potential costs re lost appeals | 30 |
| Use of consultants to provide specialist advice & plan app work | 90 |
| Underspend on Renewal staffing | Cr 30 |
| Net overspend for the Priory museum | 31 |
| Underspend within library staffing | Cr 31 |
| | <u>Cr 135</u> |

- 5.7 Appendix 2 shows that £478k has been spent or committed out of the £590k set aside for the three projects within the Member Priority Initiatives, leaving a balance of £106k. It also has comments on the progress of each of the schemes.

Early Warnings

- 5.8 Of the £60k carried-forward from 2014/15 for the Local Plan Implementation, it is likely that only £15k will be spent, and therefore a further carry-forward request will be made at year-end so that the costs of the Examination in Public can be met in 2016/17.
- 5.9 Of the new homes bonus fund, there is a potential underspend of £100k, and therefore a carry-forward request will be made at year-end in order to enable outstanding works to be completed in 2016/17.

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| Non-Applicable Sections: | Legal, Personnel |
| Background Documents: (Access via Contact Officer) | 2015/16 budget monitoring files within ES/R & R finance section |