

Decision Maker: RENEWAL & RECREATION PORTFOLIO HOLDER

RENEWAL AND RECREATION POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 5th July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: Provisional Outturn 2015/16

Contact Officer: Claire Martin, Head of Finance
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Chief Officer: Marc Hume, Director of Regeneration and Transformation

Ward: Borough-wide

1. Reason for report

This report provides the Portfolio Holder with the provisional final outturn position for 2015/16 for the Renewal and Recreation Portfolio. This shows an under spend of £361k for 2015/16.

2. **RECOMMENDATIONS**

That the Portfolio Holder is requested to:

- 2.1 **Endorse the 2015/16 provisional outturn position for the Renewal and Recreation Portfolio.**
- 2.2 **Approve the drawdown of the carry forward sums held in Central Contingency, £223.3k for New Home Bonus schemes, £54.9k for the Noise Action Plan for Biggin Hill Airport, £47.3k for the preparation of the Borough's Local Plan and £47.4k for the Biggin Hill Memorial Museum.**

Corporate Policy

1. Policy Status: Existing Policy Sound financial management.
 2. BBB Priority: Excellent Council; Quality Environment
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: All Renewal & Recreation Portfolio Budgets,
 4. Total current budget for this head: £9.4m
 5. Source of funding: Existing controllable revenue budgets 2015/16
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Staff

1. Number of staff (current and additional): 217.9ftes
 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: 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? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The 2015/16 provisional outturn for the Renewal and Recreation Portfolio shows an under spend of £361k against a controllable budget of £9.4m, representing a 3.84% variation. The detailed variations are shown in Appendix 1 with a summary included in Section 5.
- 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.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan 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 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 2016/17.
- 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 total variation for the Renewal and Recreation Portfolio at the year-end is an under spend of £361k. Excluding the carry forward sum of £325.5k, the under spend is £35.5k.
- 5.2 Some of the major variations are summarised below, with more detail included in Appendix 1.
- 5.3 Within Building Control there is an overall net variation of Cr £33k, largely as a result of delays in appointing to vacant posts.
- 5.4 Income for planning applications was above budget by Cr £195k, income from pre-application meetings also exceeded the budget by Cr £38k and there was surplus income of Cr £58k from other income streams. There was a net overspend within employee related costs of Dr £43k mainly due to the recruitment of two additional temporary planning staff in order to assist with the current increase in volumes of planning applications.
- 5.5 As a direct result of losing planning appeals and a provision made for potential costs relating to a claim of compensation, there is an overspend of Dr £89k. In addition costs of £130k have been incurred for the use of consultants to provide specialist advice for planning application work.

- 5.6 Underspends of Cr £47k and Cr £182k relate to carry forward requests for the Local Plan implementation and New Homes Bonus projects.
- 5.7 Other net underspends of Cr £27k relate to part year vacancies within the Renewal teams.
- 5.8 The net overspend of Dr £110k for the Priory and theatre equipment has been more than by offset by net underspends of Cr £115k within libraries and culture.
- 5.9 Within Town Centre Management the underspend of Cr £42k relates to the carry forward request for the New Homes Bonus projects. Other minor variations across the Portfolio total Dr £4k.
- 5.10 The table below summarises the main variances: -

| Variation | £'000 |
|--|---------------|
| Underspend on Building Control Staffing | Cr 33 |
| Income from planning applications | Cr 195 |
| Income from pre-application meetings | Cr 38 |
| Other planning income | Cr 58 |
| Overspend on staffing | 43 |
| Costs re lost appeals and specialist consultancy advice | 219 |
| Borough's Local Plan (Carry Forward Request) | Cr 47 |
| Underspend related to NHB funded work within Renewal (C/F Request) | Cr 182 |
| Net underspend on staffing within Renewal | Cr 27 |
| Overspend relating to the Priory and Theatre | 110 |
| Net underspend on libraries and culture | Cr 115 |
| Underspend related to NHB funded work within TCM(C/F Request) | Cr 42 |
| Other net variations across the Portfolio | 4 |
| | Cr 361 |

Carry Forward Requests

Local Implementation Plan - £47,322

- 5.11 Of the £60k carried forward from 2014/15 for the Local Plan implementation, only £13k was spent, and therefore a further carry forward request for £47,322 was made to the Executive so that the costs of the Examination in Public can be met in 2016/17 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 Noise Action Plan - £54,870

- 5.12 During 2015/16, expenditure of £63k has been incurred for specialist consultancy work and Counsel advice relating to the Noise Action Plan for Biggin Hill Airport. This was partly funded by the £40k carried forward from 2014/15. Further consultancy work is required to be undertaken on the Noise Action Plan during 2016/17 and consequently a carry forward request was made for £54,870 in order to complete this contracted consultancy work. It should be noted that the cumulative contract value for the Noise Action Plan work totals £100k. The Portfolio Holder is asked to approve the drawdown of this sum from the central Contingency.

New Homes Bonus expenditure - £223,258

- 5.13 There are 4 NHB top slice revenue projects which secured funding agreed through LEP in 2015/16. These will be delivered over 2 years commencing in 2015/16. The 4 projects include:

Penge town centre and Orpington town centre (a proportion of which was allocated to TCM and is included in a separate carry forward request), Biggin Hill Technology & Enterprise centre and Lagoon Rd industrial estate refurbishment. These projects will be delivered over 2 years commencing in 2015/16. At the end of 2015/16 £223,258 of budget had not yet been utilised and a carry forward was requested so that the associated project work could be completed in 2016/17. The Portfolio Holder is asked to approve the drawdown of this sum from the central Contingency.

Biggin Hill Memorial Museum - £47,400

5.14 On 15 June 2016 Executive agreed that £47,400 be allocated from the 2015/16 underspend in the Central Contingency to be used as match funding for the development work involved with the preparation of the first round grant application to the HLF for the Biggin Hill Memorial Museum. Approval is sought from the Portfolio Holder to release this sum from the Central Contingency.

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