

Renewal and Recreation Budget Monitoring Summary as at 31.03.2016

2014/15 Actuals £'000	Division Service Areas	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
0	Commissioning Fund	0	0	0	0	1	0	0
0	Commissioning Fund	0	0	0	0		0	0
	Planning							
Cr 27	Building Control	14	14	Cr 19	Cr 33	2	Cr 21	0
Cr 164	Land Charges	Cr 168	Cr 167	Cr 168	Cr 1	3	Cr 0	0
433	Planning	617	618	589	Cr 29	4	Cr 45	0
1,090	Renewal	1,825	1,830	1,574	Cr 256	5	Cr 143	0
1,332		2,288	2,295	1,976	Cr 319		Cr 209	0
	Recreation							
1,940	Culture	1,973	2,097	2,193	96	6	61	0
5,087	Libraries	4,734	4,711	4,610	Cr 101	7	Cr 61	0
255	Town Centre Management & Business Support	219	300	263	Cr 37	8	Cr 26	0
7,282		6,926	7,108	7,066	Cr 42		Cr 26	0
8,614	Total Controllable R&R Portfolio	9,214	9,403	9,042	Cr 361		Cr 235	0
11,630	TOTAL NON CONTROLLABLE	3,916	Cr 13,571	Cr 13,571	0		Cr 1	0
2,159	TOTAL EXCLUDED RECHARGES	2,469	2,281	2,281	0		0	0
22,403	PORTFOLIO TOTAL	15,599	Cr 1,887	Cr 2,248	Cr 361		Cr 236	0

Reconciliation of Latest Approved Budget

£'000

Original budget 2015/16

15,599

Repairs and Maintenance - carry-forward from 2014/15	112
Local Plan Implementation - carry-forward from 2014/15	60
Biggin Hill Air Noise Action Plan - carry-forward from 2014/15	40
Transfer of Housing budgets to Care Services Portfolio	Cr 44
Former Adventure Kingdom	Cr 55
Biggin Hill Heritage Museum	106
Performance Awards	8

Memorandum Items

Capital Charges 5802	Cr 838
Deferred Charges (REFCUS) 5804	Cr 398
Impairment 5806	Cr 15,749
Gov Grants Deferred 5807	Cr 973
Insurance	Cr 76
Rent Income	0
Repairs & Maintenance	Cr 41
IAS19 (FRS17)	476
Excluded Recharges	Cr 114
Latest Approved Budget for 2015/16	Cr 1,887

REASONS FOR VARIATIONS

1) Commissioning Fund £0k

Within the commissioning fund there is a balanced budget. Expenditure of £31k on commissioning activities carried out during 2015-16, has been fully funded by a drawdown from the earmarked reserve.

2. Building Control Cr £33k

Within the chargeable account for Building Control, there is an income deficit of £114k. This was more than offset by an underspend within salaries of £143k arising from reduced hours being worked and vacancies. In addition a provision of 25k has been made for potential costs arising from a compensation claim. In accordance with Building Account Regulations, any net surplus / deficit is carried forward via the earmarked reserve for the Building Control Charging Account. The cumulative balance on that account remains unchanged at £130k.

Within the non-chargeable service there was an underspend of £33k, mainly as a result of delays in appointing to vacant posts, as well as other minor variations.

3. Land Charges Cr £1k

Minor variations across the service have resulted in a net surplus of Cr £1k.

4. Planning Cr £29k

Income from non-major planning applications was £172k above budget for 2015/16. For information, actual income received in 2015/16 is £110k higher than for the previous year, largely due to improving economic conditions.

For major applications, £323k was received in 2015/16 which was £23k above budget. Actual income was £78k less than that received for 2014/15.

A surplus of £38k income was achieved from pre-application meetings due to higher than budgeted activity levels. For information, this is £14k less than the income received in 2014/15.

Additional income of Cr £34k was achieved within the street naming & numbering service, which was £8k higher than that received in the previous year.

In addition there is a surplus of £24k from other miscellaneous income within Planning.

There was a net overspend within employee-related and running costs of £43k. This is mainly due to the recruitment of two additional temporary planning staff in order to assist with the current increase in volumes of planning applications.

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, Dr £130k has been incurred relating to the use of consultants to provide specialist advice and to undertake planning application work, particularly in the period before the division was fully staffed. Both of these additional costs are more than offset by surplus income.

Summary of variations within Planning:		£'000
Surplus income from major applications	Cr	23
Surplus income from non-major applications	Cr	172
Surplus pre-application income	Cr	38
Surplus street naming & numbering income	Cr	34
Surplus on other planning income	Cr	24
Overspend within employee related costs		43
Costs re lost appeals		89
Use of consultants to provide specialist advice & plan app work		130
Total variation for planning	Cr	<u>29</u>

5. Renewal Cr £256k

There is a net underspend across Renewal salaries of £68k due to part-year vacancies within the Regeneration and Planning Strategy & Projects teams. £22k of this underspend relates to staffing funded by the New Homes Bonus top slice.

Of the £60k carried-forward from 2014/15 for the Local Plan Implementation, only £13k was 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.

There is an underspend of £182k against the New Homes Bonus Top Slice funding (this includes the £22k for staffing), and therefore a carry-forward request will be made at year-end in order to enable outstanding works to be completed in 2016/17.

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 will be made for £55k in order to complete this work.

Other minor net variations across the service total Cr £4k.

Summary of variations within Renewal:	£'000
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Underspend within employee related costs (excl NHB)	Cr	46
Local Plan Implementation (c/forward request to be made to June Exec)	Cr	47
Underspend related to NHB top slice funded work (incl £20k staff)	Cr	182
Spend relating to the noise action plan for Biggin Hill Airport		23
Other minor variations	Cr	4
	Cr	256

6. Culture Dr 95k

Although savings were built into the 2015/16 budget in anticipation of the closure of the Priory Museum, an overspend of £62k occurred. This was partly down to the museum being closed half way through the year resulting in both staffing and premises costs. In addition, extra temporary staff were employed for the remainder of the year in order to facilitate moves, preservation and storage of exhibits.

Additional costs of £8k have been incurred for security grills to secure the Priory building once empty and £10k has been spent on museum artefact conservation work including archiving, removal and relocation in advance of the new exhibitions. These costs were partly offset by minor net variations within the culture services of Cr £14k.

Following the completion of the tender process and the award of the contract to a new provider Qdos there have been issues raised from the outgoing provider ATG regarding the ownership of some of the items of equipment included in the lease and contract documentation. The view from the Legal Section regarding ownership of the disputed items is not conclusive and rather than go through a long and potentially expensive legal process it was agreed to try and reach a negotiated agreement between the Council, ATG, and Qdos that all parties would find acceptable. The initial valuation of the equipment was around £77k. Following lengthy discussions and negotiations the Council and ATG have agreed a sum of £30k to resolve the ownership of the disputed items. It is worth noting that whilst the change from the outgoing operator (ATG) to Qdos has produced some legal issues as highlighted above, the new 25 year arrangement with Qdos to manage and operate the Theatre provides a saving of £321k per year or around £8m over the 25 year life of the contract. Additionally the Council has transferred more maintenance responsibility within the new contract to Qdos which further reduces the Council's costs regarding the property.

Summary of variations within Culture:		£'000
Priory Museum staffing & running costs		62
Security grills & museum artefact conservation work		18
Minor variations	Cr	14
Theatre equipment		30
		96

7. Libraries Cr £101k

Following a combination of strike action taken by a number of library staff during the year, as well as staff vacancies, there was an underspend on staffing of Cr £121k. £29k of this was re-invested within the IT budget to replace obsolete stock. Additional income of Cr £9k was generated during the year. The resulting net balance of £101k was used to offset the overspend within Culture.

Underspend within staffing (vacancies and impact of strike)	Cr	121
Replacement of obsolete IT stock		29
Additional income	Cr	9
	Cr	101

8. Town Centre management Cr £37k

There is an underspend of £42k relating to the two NHB top slice projects and a request will be submitted to the Executive to carry forward this amount in order to complete the specific projects which will be delivered over a period of two years. Other minor variations across the service total Dr £5k.

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, no waivers over £50k have been actioned.

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.