

Decision Maker: Renewal & Recreation Portfolio Holder

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

Date: 5th July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2016/17

Contact Officer: Claire Martin, Head of Finance
Tel: 020 8313 4286 E-mail: claire.martin@bromley.gov.uk

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 2016/17 for the Renewal and Recreation Portfolio based on expenditure and activity levels up to 31st May 2016. This shows a projected over spend of £200k for the total portfolio budget.

2. **RECOMMENDATION(S)**

2.1 The Portfolio Holder is requested to endorse the latest 2016/17 budget projection for the Renewal & Recreation Portfolio.

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: £13.4m
 5. Source of funding: Existing revenue budgets 2016/17
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Staff

1. Number of staff (current and additional): 205.2ftes
 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 2016/17 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.

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 “2016/17 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that budgetary control continues to be exercised in 2016/17 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 over spend by £200k based on the financial information available as at 31st May 2016.
- 5.2 Within Building control, there is a net projected underspend of £50k within the staffing budget due to vacant posts and reduced hours being worked.
- 5.3 Additional income of £120k is projected within Planning. This has been used to fund additional temporary planning posts to help deal with the extra volume of work from the increase in planning applications.
- 5.4 In January 2016, officers reported that the savings of £250k, relating to Community Libraries built into the budget for 2016/17 are unlikely to be achieved in this financial year as a result of the business model submitted by the tenderer and because of the timetable and potential lead in time requested by the tenderer for contract mobilisation. The actual full year effect savings will be dependent on the final tenders submitted and this will be reported to members in due course.

5.5 The table below summarises the main variances: -

Summary of Major Variations

£'000

Underspend on Building Control staffing	Cr	50
Income from planning	Cr	120
Additional temporary planning staff		120
Savings for Community Libraries		250
		<u>200</u>

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	2016/17 budget monitoring files within ES/R & R finance section