

PART 1 - PUBLIC

Decision Maker: Resources Portfolio Holder

Date: for pre-decision scrutiny by Executive and Resources PDS Committee on 7th July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: **BUDGET MONITORING 2016/17 - DRAWDOWN OF CARRY FORWARDS FROM CENTRAL CONTINGENCY**

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Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report requests approval for drawdown from the central contingency of underspends carried forward from 2015/16 to be allocated to the Resources Portfolio.
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2. **RECOMMENDATION(S)**

- 2.1 **The Resources Portfolio Holder is requested to agree the drawdown from the Central Contingency of 2015/16 carry forward sums totalling £551k (net of grant income) as detailed in para. 3.3.**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Non-recurring cost.
 3. Budget head/performance centre: Resources Portfolio
 4. Total current budget for this head: £40.3m 2016/17 Latest Approved Budget
 5. Source of funding: Controllable Revenue Budget for Resources Portfolio
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Staff

1. Number of staff (current and additional): 269 full-time equivalent posts (per 2016/17 Budget)
 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 2015; 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 2016/17 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.
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Ward Councillor Views

3. Have Ward Councillors been asked for comments? N/A.
4. Summary of Ward Councillors comments: Council wide

3. COMMENTARY

3.1 On 15th June 2016, Executive approved the carry forward of 2015/16 underspends totalling £1,401k (net) subject to the funding being allocated to the Central Contingency to be drawn down on the approval of the relevant Portfolio Holder. In addition, £301k relating to the Council's repairs and maintenance budgets was carried forward under delegated authority. Further details are provided in the 2015/16 Provisional Final Accounts report.

3.2 As part of the first budget monitoring report for 2016/17 (Executive on 20th July 2016), Executive are requested to note the carry forwards being requested to be drawn down and allocated to Portfolio budgets this cycle. These are summarised in the table below and details have been reported to the relevant PDS Committees on the dates shown.

	£'000s
Renewal & Recreation (5th July 2016)	373
Public Protection & Safety (29th June 2016)	61
Executive & Resources (7th July 2016)	801
Environment (7th June 2016)	388
Care Services (28th June 2016)	862
Total Expenditure	2,485
Government Grant Income	Cr 1,478
Total net carry forwards requested for drawdown this cycle	1,007

3.3 The total sum relating to the Resources Portfolio being requested this cycle is £801k and £250k of this sum is funded by government grant providing a net carry forward of £551k. Details are provided in the table below:

2015/16 Carry Forward Sums – Request to Drawdown		£'000
Individual Electoral Registration	A grant of £73k was received in March 2016 to support the changes required for the introduction of Individual Electoral Registration. Due to the late notification of this funding expenditure will be incurred in 2016/17 and a carry forward was approved.	73
Debt Management System	Balance of Transformation grant income set aside to fund finalising of the new Debt Management System in 2016/17.	177
BT Contract Transition Costs	To meet the additional transition costs and continuation of a transition manager as approved by Executive in September 2015.	77
IT Upgrade – Anerley Business Centre	In October 2015 Executive approved funding of £30k payable to the Crystal Palace Community Development Trust as a contribution towards the upgrade of IT in Anerley Business Centre. This work is planned to go ahead during 2016/17.	30
Transparency Agenda	Funding for the continuation of a post within Strategic Property in relation to the required updating and verification of property ownership records in accordance with the Transparency Agenda.	14
Residential Property Acquisitions (SPV)	Funding previously approved for specialist legal, actuarial, accounting and tax advice. This relates to the SPV for the acquisition of residential properties for temporary accommodation and the 'gifting' of a significant asset to the Council's pension fund. A carry forward was agreed to meet the cost of the specialist advice required to finalise arrangements in 2016/17.	291
Continued Overleaf		

2015/16 Carry Forward Sums – Request to Drawdown (cont'd)		
Staff Merit Awards	As part of introduction of Localised Pay, Members agreed a merited reward for exceptional performers. The balance of the 2015/16 provision was carried forward to be awarded in 2016/17.	89
Contracts Register/ Summaries Database	One-off funding to build a database that holds all the information currently held on the Councils Contract Register along with additional information such as waivers approved, gate reports, audit issues and risks. The work is anticipated to be completed within the next 6 months.	50
	Total Expenditure	801
	Grant Income	<u>Cr 250</u>
	Total (net of Grant Income)	551

3.4 The Resources Portfolio Holder is requested to approve that the items set out in the table above be drawn down and allocated to Resources Portfolio budgets.

4. POLICY IMPLICATIONS

4.1 The “Building a Better Bromley” objective of being an Excellent Council refers to the Council’s intention to provide efficient services and to have a financial strategy that focuses on stewardship and sustainability.

5. FINANCIAL IMPLICATIONS

5.1 These are contained within the body of the report. The sums carried forward relate to underspends in 2015/16 where expenditure is likely to be incurred in 2016/17. Further details are provided in the 2015/16 Provisional Final Accounts report to Executive on 15th June 2016.

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	Provisional final Accounts - Executive 15 th June 2016; Budget Monitoring 2016/17 – Executive 20 th July 2016; Financial Management Budget Monitoring files with Resources finance section.