

Decision Maker: RENEWAL & RECREATION PORTFOLIO HOLDER

RENEWAL AND RECREATION POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 5th July 2017

Decision Type: Non-Urgent Executive Non-Key

Title: Provisional Outturn 2016/17

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

Ward: Borough-wide

1. Reason for report

This report provides the Portfolio Holder with the provisional final outturn position for 2016/17 for the Renewal and Recreation Portfolio. This shows an under spend of £292k for 2016/17.

2. **RECOMMENDATIONS**

That the Portfolio Holder is requested to:

- 2.1 **Endorse the 2016/17 provisional outturn position for the Renewal and Recreation Portfolio.**
- 2.2 **Approve the drawdown of the carry forward sums from 2016/17 held in the Central Contingency, totalling £367k (net of grant income) as detailed in para 5.10.**

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 and Recreation Portfolio Budgets,
 4. Total current budget for this head: £17.2m
 5. Source of funding: Existing revenue budgets 2016/17
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Staff

1. Number of staff (current and additional): 211.7ftes
 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 2016/17 provisional outturn for the Renewal and Recreation Portfolio shows an under spend of £292k against a controllable budget of £9.253m, representing a 3.16% 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 2017/18.
- 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 £292k. Excluding the carry forward sum of £367k, there was an overspend of £75k, mainly due to a provision of £171k being made, relating to CIL. Some of the major variations are summarised below, with more detail included in Appendix 1.
- 5.2 Within Building Control there is an overall net underspend of £72k, largely due to vacant posts.
- 5.3 Income for planning applications was above budget by £162k and this has been used to fund additional temporary staff within planning and enforcement (£134k). Income from pre-application meetings also exceeded the budget by £52k and there was surplus income of £70k from other income streams including street naming and the 4% CIL administration top-slice.
- 5.4 Additional costs of £78k have been incurred for specialist consultancy advice relating for planning applications and as a direct result of losing planning appeals a net provision of £65k has been made for potential costs relating to compensation claims.
- 5.5 Underspends of £37k and £306k relate to carry forward requests for the Local Plan inspection in public and New Home Bonus projects within Renewal.

- 5.6 £24k of the underspend within Town Centre Management also relates to a carry forward request for New Home Bonus projects.
- 5.7 A shortfall of income within Libraries has more than been offset by an underspend of £71k mainly due to part year vacancies and strike action. Other minor variations across the Portfolio total Cr £6k.
- 5.8 The table below summarises the main variances: -

Variation	£'000
Building Control	Cr 72
Income from planning applications	Cr 162
Planning & enforcement staff	134
Income from pre-application meetings	Cr 52
Othe planning income	Cr 70
Costs re lost appeals & specialist consultancy advice	143
Provision re CIL	171
Borough's Local Plan (C/F Request)	Cr 37
Underspend related to NHB funded work within Renewal (C/F Request)	Cr 306
Underspend related to NHB funded work within TCM (C/F Request)	Cr 24
Shortfall of income within Libraries	60
Underspend within Lbiraries (staffing and running expenses)	Cr 71
Other net variations across the Portfolio	Cr 6
	Cr 292

Carry Forward Requests

- 5.9 The Renewal and Recreation Portfolio Holder is requested to approve the drawdown of the following carry forward sums held in the Central Contingency: -

2016/17 Carry Forward Sums - Request to Drawdown		£
Planning Strategy & Projects - Custom Built Grant	The Custom Build Grant £15,000 and the New burdens funding for the Brownfield register of £14,645 was received in March 16 from DCLG. Due to the late notification of this funding it was not possible to spend it in 2016/17 and it is therefore requested to carry forward this sum to 2017/18.	29,645
Local Plan Implementation	Of the £47k carried-forward from 2015/16 for the Local Plan Implementation, only £10k was spent, and therefore a further carry-forward request is being submitted for £37k so that the costs of the Examination in Public can be met in 2017/18 and to undertake any further evidence work required.	37,427
New Home Bonus - Regeneration	There are 4 NHB top slice revenue projects which secured funding agreed through LEP in 2015/16. These were due to 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. At the end of 2016/17 £306,126 of budget had not yet been utilised and a carry forward has been requested so that the associated project work can be completed in 2017/18 as agreed with the GLA.	306,126
New Home Bonus - Town Centre Management	There is an underspend of £23k relating to the two NHB top slice projects within Orpington and Penge, and a request will be submitted to the Executive to carry forward this amount in order to complete the specific projects which will be completed during 2017/18 as agreed with the GLA.	23,446
Total Expenditure		396,644
Grant Income		Cr 29,645
Total (net of Grant Income)		366,999

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