

Decision Maker: **Resources Portfolio Holder**

 for Pre-Decision Scrutiny by the Executive and Resources PDS
 Committee on:

Date: **13 July 2017**

Decision Type: Non-Urgent Executive Non-Key

Title: **BUDGET MONITORING 2017/18 - DRAWDOWN OF CARRY**
 FORWARDS FROM CENTRAL CONTINGENCY

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Chief Officer: Director of Finance

Ward: Boroughwide

1. Reason for report

1.1 This report requests approval for drawdown from the central contingency of underspends carried forward from 2016/17 to be allocated to the Resources Portfolio.

2. **RECOMMENDATION(S)**

2.1 **The Resources Portfolio Holder is requested to agree the drawdown from the Central Contingency of 2016/17 carry forward sums totalling £290k (net of grant income) as detailed in para. 3.3.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: None directly arising from this report.
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Corporate Policy

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

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Resources Portfolio
 4. Total current budget for this head: £46.07m 2017/18 Latest Approved Budget
 5. Source of funding: Controllable Revenue Budget for Resources Portfolio
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Personnel

1. Number of staff (current and additional): 227.6 FTEs
 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: Applicable
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Procurement

1. Summary of Procurement Implications:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2017/18 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

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Council wide

3. COMMENTARY

- 3.1 On 20th June 2017, Executive approved the carry forward of 2016/17 underspends totalling £447k (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, on 22 March 2017 Executive agreed that £113k could be carried forward for the reconstruction of the Central Depot wall. Further details are provided in the 2016/17 Provisional Final Accounts report.
- 3.2 As part of the first budget monitoring report for 2017/18 (Executive on 19th July 2017), 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 2017)	397
Executive & Resources (13th July 2017)	436
Environment (12th July 2017)	120
Education (18 July 2017)	197
Care Services (4th July 2017)	513
Total Expenditure	1,663
Government Grant Income	Cr 1,216
Total net carry forwards requested for drawdown this cycle	447

- 3.3 The total sum relating to the Resources Portfolio being requested this cycle is £436k and £146k of this sum is funded by government grant providing a net carry forward of £290k. Details are provided in the table below:

2016/17 Carry Forward Sums - Request to Drawdown		£'000
Individual Electoral Registration	Grant income of £47,117 was received in March 16, from the Cabinet Office to support the changes required for the Individual Electoral Registration. 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.	47
Debt Management System	Transformation grant of £344k was received during March 2016 and was set aside to fund the new Debt Management System. To date £245k has been spent however the balance is needed to meet the costs of finalising the system during 2017/18. It is therefore requested to carry this sum forward to 2017/18.	99
Audit - Additional investigation works	Members are requested to approve a carry forward of £40k to buy in additional audit time from Mazars through the Framework to cover for a long term sickness, Head of Audit handover and legal costs for prosecutions.	40
Debt Management System	Due to delayed go-live of the Aspien Corporate Debt Recovery system & Single View Project along with the complexities of the development additional resources are required. It is therefore requested to carry forward £25k from the underspend on Financial Services to fund the remaining implementation costs of the Debt Management System.	25
Continued overleaf		

2016/17 Carry Forward Sums - Request to Drawdown (cont'd)		£'000
Contract Register / Summaries Database	A sum of £50k was previously carried forward to top up existing resources to assist with the development of the Contracts Database (CDB). This was to improve contract management, generate the registers used for reporting key information to Contracts Sub-Committee and the PDS committees, and contribute to the Commissioning agenda. There was a delay on project delivery due to coding and content-building capacity. In addition, more works are required in 2017/18 to improve the CDB's content and functionality. This also includes improving the quality of the data and risk management. The Executive is requested to agree to carry forward this sum into 2017/18 to enable the completion of the scheme.	50
Biggin Hill Airport Noise Action Plan	A sum of £55k was carried forward from 2015/16 to fund the contracted specialist expert acoustic advice and other potential advice needed relating to the introduction of the Noise Action Plan for Biggin Hill Airport. Work activity, including the need for Cole Jarman's expert acoustic advice has continued into the current financial year, with the peak of this work occurring later than originally envisaged and beyond the Council's control. The Executive are therefore requested to approve a carry forward of the £44k underspend on the Biggin Hill Airport project.	44
Legal Counsel Cost	On 22nd March 2017, Executive agreed to allocate £50k from the central contingency to meet the Counsel Fees for an inquest listed for hearing between 10th July to 11th August 2017, where the Council has been cited as an interested party in the matter. A carry forward request is submitted as the preparatory works and the conduct of the hearing will be carried out in 2017/18.	50
Merit Awards (in contingency)	As part of introduction of Localised Pay, Members agreed a merited reward for exceptional performers, and a provision of £200k was included in the Central Contingency. This was to reward the performance of employees. £119k was awarded in 2016/17 and a balance of £81k remains to be paid out during 2017/18. This amount is therefore requested to be carried forward.	81
Total Expenditure		436
Grant Income		Cr 146
Total (net of Grant Income)		290

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. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The 2017/18 budget reflects the financial impact of the Council's strategies and service plans which impact on all of the Council's customers and users of our services.

5. POLICY IMPLICATIONS

5.1 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.

6. FINANCIAL IMPLICATIONS

6.1 These are contained within the body of the report. The sums carried forward relate to underspends in 2016/17 where expenditure is likely to be incurred in 2017/18. Further details are provided in the 2016/17 Provisional Final Accounts report to Executive on 20th June 2017.

Non-Applicable Sections:	Legal, Personnel, Procurement
Background Documents: (Access via Contact Officer)	Provisional final Accounts - Executive 20 th June 2017; Budget Monitoring 2017/18 – Executive 19 th July 2017; Financial Management Budget Monitoring files with Resources finance section.