

**Decision Maker:** RENEWAL, RECREATION & HOUSING PORTFOLIO HOLDER

**RENEWAL, RECREATION & HOUSING POLICY  
DEVELOPMENT AND SCRUTINY COMMITTEE**

**Date:** 26<sup>th</sup> June 2018

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** Provisional Outturn 2017/18

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

**Chief Officer:** Nigel Davies, Executive Director of Environment and Community Services

**Ward:** Borough-wide

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1. Reason for report

This report provides the Portfolio Holder with the provisional final outturn position for 2017/18 for the previous Renewal and Recreation Portfolio. This shows an under spend of £336k for 2017/18.

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2. **RECOMMENDATIONS**

That the Portfolio Holder is requested to:

- 2.1 **Endorse the 2017/18 provisional outturn position for the Renewal and Recreation Portfolio.**
- 2.2 **Approve the drawdown of the carry forward sums from 2017/18 held in the Central Contingency, totalling £282k, excluding grant income, as detailed in para 5.9.**

### 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, Recreation & Housing Portfolio Budgets,
  4. Total current budget for this head: £11.5m
  5. Source of funding: Existing revenue budgets 2017/18
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### Staff

1. Number of staff (current and additional): 169.7ftes
  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 2017/18 provisional outturn for the old Renewal and Recreation Portfolio shows an under spend of £336k against a controllable budget of £9.492m, representing a 3.54% 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. 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. Delivering Value for Money is one of the Corporate Operating Principles supporting Building a Better Bromley.
- 5.2 The “2017/18 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2017/18 to minimise the risk of compounding financial pressures in future years.
- 5.3 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, Recreation & Housing Portfolio at the year-end was an under spend of £336k. Excluding the carry forward sum of £238k, there was an under spend of £98k. Some of the major variations are summarised below, with more detail included in Appendix 1.
- 5.2 Within Building Control there was an overall net underspend of £83k, largely due to vacant posts.
- 5.3 Income for planning applications was above budget by £148k. Income from pre-application meetings also exceeded the budget by £34k and there was surplus income of £15k from other income streams including street naming and the 4% CIL administration top-slice.

- 5.4 Additional costs of £37k have been incurred for specialist consultancy advice relating for planning applications and as a direct result of losing planning appeals a net provision of £193k has been made for potential costs relating to compensation claims.
- 5.5 There was an under spend of £171k that relates to a carry forward request New Home Bonus projects within Renewal. Other variations within Renewal include underspends of £34k for staffing due to vacancies and £27k within supplies and services.
- 5.6 £36k of the under spend within Town Centre Management also relates to a carry forward request for New Home Bonus projects.
- 5.7 A shortfall of income of £32k within Libraries has more than been offset by an under spend of £39k mainly due to part year savings from vacancies within the back office. Other minor variations across the Portfolio total Cr £11k.
- 5.8 The table below summarises the main variances: -

<b>Variation</b>	<b>£'000</b>
Building Control	Cr 83
Income from planning applications	Cr 148
Income from pre-application meetings	Cr 34
Other planning income	Cr 15
Costs re lost appeals & specialist consultancy advice	230
Staff vacancies	Cr 34
Underspends within supplies and services (Renewal)	Cr 27
Underspend related to NHB funded work within Renewal (C/F Request)	Cr 171
Underspend related to NHB funded work within TCM (C/F Request)	Cr 36
Shortfall of income within Libraries	32
Underspend from vacancies within the back office	Cr 39
Other net variations across the Portfolio	Cr 11
	<b>Cr 336</b>

## Carry Forward Requests

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

2017/18 Carry Forward Sums - Request to Drawdown		£
New Home Bonus - Regeneration	In total there were 4 NHB top slice revenue projects which secured funding agreed through the 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 2017/18, £171,260 remains unspent and a carry forward has been agreed so that the associated project work can be completed in 2018/19 as agreed with the GLA.	171,260
New Home Bonus - Town Centre Management	There is an underspend of £36k relating to the two NHB top slice projects within Orpington and Penge. Executive on 21 May agreed to carry forward this amount in order to complete the specific projects which will be completed during 2018/19 as agreed with the GLA.	36,378
Planning Strategy & Projects - Custom Built Grant	The Custom Build Grant of £30,000 March 18 from DCLG. Due to the late notification of this funding it was not possible to spend it in 2017/18 and it has been carried forward to 2018/19.	30,000
17 Fire Safety Grant	In June 2017 Members approved the carry forward of the Fire Safety Grant (£56,589) from the London Fire and Emergency Planning Authority following the successful bid made in February 2017 for the provision of stand alone smoke detectors and fire retardant bedding and clothing for vulnerable clients. To date, £12,719 has been spent and the remaining grant sum has been carried forward to 2018/19 in order to continue to carry out the works as set out in the grant conditions.	43,870
<b>Total Expenditure</b>		<b>281,508</b>
<b>Grant Income</b>		<b>Cr 73,870</b>
<b>Total (net of Grant Income)</b>		<b>207,638</b>

5.10 In addition to the carry forward sums above, on 28 March 2018 Executive agreed to carry forward £132,758 relating to funding received from the Asset Incentivisation Scheme. £84,633 of this is allocated to Planning Enforcement and the remaining balance of £48,125 is allocated to Trading Standards. The funding will be used to carry out works on asset recovery, crime reduction projects and community projects.

<b>Non-Applicable Sections:</b>	Legal, Personnel
Background Documents: (Access via Contact Officer)	2017/18 budget monitoring files within ES finance section