

Decision Maker: **Renewal & Recreation Portfolio Holder**

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

Date: **27th March 2018**

Decision Type: Non-Urgent Executive Non-Key

Title: **BUDGET MONITORING 2017/18**

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 an update of the latest budget monitoring position for 2017/18 for the Renewal and Recreation Portfolio based on expenditure and activity levels up to 31 December 2017. This shows a projected under spend of £272k for the total portfolio budget.

2. **RECOMMENDATION(S)**

2.1 The Portfolio Holder is requested to endorse the latest 2017/18 budget projection for the Renewal & Recreation Portfolio

Impact on Vulnerable Adults and Children

1. Summary of Impact: None directly from this report.
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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 Not Applicable
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Renewal & Recreation Portfolio Budgets
 4. Total current budget for this head: £15.708m
 5. Source of funding: Existing revenue budgets 2017/18
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Personnel

1. Number of staff (current and additional): 169.18ftes
 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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Procurement

1. Summary of Procurement Implications: None directly from this report.
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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 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. 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 “Building a Better Bromley” refer to the Council’s intention to remain amongst the lowest Council Tax levels in Outer London and the importance of greater focus on priorities.
- 5.2 The “2017/18 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that 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.

6. FINANCIAL IMPLICATIONS

- 6.1 Although the overall budget shows an under spend of £272k, the controllable budget for the Renewal and Recreation Portfolio is expected under spend by £243k at the year-end, based on the financial information available as at 31 December 2017.
- 6.2 For Building control, there is a net projected underspend of £61k within the staffing budget due to vacant posts and reduced hours being worked.
- 6.3 Similarly for Land Charges, part year vacancies will result in an under spend of £18k.
- 6.4 Additional income of £150k is projected from non-major planning applications and there is a projected surplus of income of £61k from pre-application meetings as well as from street name and numbering, due to increased demand. This more than offsets costs of £60k for specialist advice and a shortfall of income from major planning applications (£40k).

- 6.5 There will be an over spend of £170k directly related to planning appeal costs awarded against the Council.
- 6.6 Other net variations within planning services total Cr £18k.
- 6.7 The renewal service is expected to underspend by £167k. £17k of this is the result of part year vacancies and the remaining £150k relates to an under spend against the NHB funded works. It should be noted that the Executive is being requested to agree a carry forward request for this sum.
- 6.8 Similarly within Town Centre Management there is an under spend of £35k on NHB funded projects and a carry forward request is being submitted.
- 6.9 Other minor variations within Recreation total Cr £3k.
- 6.10 The table below summarises the main variances: -

Summary of Major Variations		£'000
Underspend on Building Control staffing	Cr	61
Underspend on staffing within Land Charges	Cr	18
Income from planning applications	Cr	150
Income from pre-application meetings & street name & numbering	Cr	61
Specialist consultancy costs		60
Shortfall of income from major planning applications		40
Planning appeal costs		170
Staffing within Renewal	Cr	17
NHB projects (carry forward request)	Cr	150
Other net variations with planning services	Cr	18
TCM NHB projects (carry forward request)	Cr	35
Other net variations within Recreation	Cr	3
	Cr	243

Non-Applicable Sections:	Legal, Procurement and Personnel Implications
Background Documents: (Access via Contact Officer)	2017/18 budget monitoring files within ECS Finance section