

Renewal and Recreation Budget Monitoring Summary

2016/17 Actuals £'000	Division Service Areas	2017/18 Original Budget £'000	2017/18 Latest Approved £'000	2017/18 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
	Planning							
Cr 3	Building Control	76	76	15	Cr 61	1	Cr 61	0
Cr 144	Land Charges	Cr 129	Cr 129	Cr 147	Cr 18	2	Cr 18	0
812	Planning	703	703	744	Cr 41	3	93	0
1,564	Renewal	785	1,075	908	Cr 167	4	0	0
2,229		1,435	1,725	1,520	Cr 205		14	0
	Recreation							
1,732	Culture	1,675	1,695	1,698	3	5	0	0
4,737	Libraries	4,403	5,784	5,793	9	6	0	0
263	Town Centre Management & Business Support	180	261	211	Cr 50	7	Cr 14	0
6,732		6,258	7,740	7,702	Cr 38		Cr 14	0
8,961	Total Controllable R&R Portfolio	7,693	9,465	9,222	Cr 243		0	0
5,855	TOTAL NON CONTROLLABLE	4,195	4,157	4,128	Cr 29	8	Cr 41	0
2,088	TOTAL EXCLUDED RECHARGES	2,086	2,086	2,086	0		0	0
16,904	PORTFOLIO TOTAL	13,974	15,708	15,436	Cr 272		Cr 41	0

Reconciliation of Latest Approved Budget

£'000

Original budget 2017/18	13,974
New Homes Bonus TCM	23
New Homes Bonus Regeneration	306
Custom Build & New Burdens grant - Expenditure	30
Custom Build & New Burdens grant - Income	Cr 30
Local Plan Implementation	37
Inflation adjustment	47
Business Rates revaluation	60
Non - Controllable R&M - Water Treatment	4
Libraries saving adjustment	284
Libraries decommissioning of I.T service	973
Proceeds of Crime Act Prosecution Expenditure	84
Proceeds of Crime Act Prosecution Income	Cr 84
Latest Approved Budget for 2017/18	15,708

REASONS FOR VARIATIONS

1. Building Control Cr £61k

For the chargeable service, an income deficit of £100k is anticipated based on information to date. This is offset by a projected underspend within salaries of £82k arising from reduced hours being worked and part year vacancies, and £18k on running expenses. In accordance with Building Account Regulations, the existing surplus on the charging account of £182k will be carried forward to 2018/19.

Within the non-chargeable service, as a result of vacant posts and reduced hours, a net underspend of £61k is projected.

2. Land Charges Cr £18k

A deficit of £30k is expected for income within the Charging Account. This is partly offset by underspends on staffing and running expenses of £13k. The net deficit of £17k will be carried forward as the cumulative balance in the Charging Account. If the income continues to drop, officers will have to consider increasing the charges.

There is a projected underspend of £18k on the Non-Chargeable budget due to part year vacancies.

3. Planning Dr £41k

Income from non-major planning applications is above budget for the first nine months of the year, and a surplus of £150k is projected for 2017/18. For information, actual income received from April to December is at a similar level compared to income received for the same period last year. It should be noted that £30k of this surplus is due to the statutory price increase which was effective from 18 January 2018.

For major applications, £225k has been received as at December 17, which is £33k higher than for the same period in 2016/17. Planning officers within the majors team have provided a schedule of additional income expected in the coming months, however the income for 2017/18 is expected to be below budget by £40k.

Currently there is projected surplus income of £38k from pre-application meetings due to higher than budgeted activity levels. For information, £131k has been received for the first nine months of the year, which is similar to the same period in 2016/17.

Additional income of £23k is forecast from other income within Planning, mostly from the street naming and numbering service.

Specialist consultancy costs of around £60k are expected to be incurred relating to three planning enquiries to be held in early 2018.

Costs of £170k are projected relating to costs awarded against the Council for planning appeals that have been lost, including Sundridge Park.

Other net variations total Cr £18k across the planning service.

Summary of variations within Planning:

	£'000
Surplus of income from non-major applications	Cr 150
Potential deficit of income from major planning applications	40
Surplus pre-application income	Cr 38
Surplus from miscellaneous income	Cr 23
Specialist consultancy costs	60
Planning appeals claims	170
Other net variations	Cr 18
Total variation for Planning	<u>41</u>

EARLY WARNING

Officers have recently received notification from the Home Office that a further £118k additional funding has been allocated to Bromley from the Proceeds of Crime Act prosecution, giving a total sum of £144k. £84.6k of this sum has been allocated to the Planning Service. As this notification has been received so late in the year, a request to carry forward both the expenditure and income budgets of £84.6k will be submitted in order to carry out works on asset recovery, crime reduction projects and community projects in the next financial year.

4. Renewal Cr £167k

Part year vacancies have resulted in £17k underspend on staffing.

It is likely that £150k will be underspent on the Town Centre Development Works funded by the New Homes Bonus and therefore a carry forward request is being made to the Executive, to enable the outstanding works to be completed in 2018/19. Formal GLA approval will also need to be obtained to agree the new profile of spend.

Summary of variations within Renewal	£'000
Staff vacancies	Cr 17
Underspend on projects funded by NHB (carry forward request)	Cr 150
Total variation for Renewal	<u>Cr 167</u>

5. Culture Dr £3k

There is a net minor overspend of £3k on Culture service, mainly due to maternity cover.

6. Libraries Dr £9k

A net overspend of £9k is forecast for the Libraries service. This includes additional costs on supplies and services of £16k and an income shortfall of £32k mainly relating to book fines and DVD hire. This is partly offset by £39k underspend from savings on the back office for the first 7 months of the year.

7. Town Centre Management & Business Support Cr £50k

An overall £50k underspend is projected for Town Centre Management & Business Support. This includes £7k from staff vacancies and £8k additional income generated from pop-up shop rental and promotional space.

The Penge Pop up shop project is expected to underspend by £28k. Following the change of focus of the regeneration plan and the change in contractor to Cushman and Wakefield, there will also be an underspend of £7k on the Orpington town centre scheme. Both of these projects are funded from the New Home Bonus. A request is being submitted to the Executive to carry this amount forward, in order to complete the specific projects, subject to the GLA agreeing the re-profile of spend.

Summary of variations within TCM:	£'000
Staff vacancies	Cr 7
Additional rental income	Cr 8
Underspend on Penge Pop Up TC scheme (carry forward request)	Cr 28
Underspend on Orpington TC scheme (carry forward request)	Cr 7
Total variation for TCM	<u>Cr 50</u>

8. Non-controllable Cr £29k

There is a projected surplus income of £29k within the property rental income budget. Property division are accountable for these variations.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, no waivers have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.