

## 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
	<b>R&amp;R PORTFOLIO</b>							
	<b>Planning</b>							
Cr 3	Building Control	76	76	Cr 7	Cr 83	1	Cr 61	0
Cr 144	Land Charges	Cr 129	Cr 129	Cr 140	Cr 11	2	Cr 18	0
812	Planning	703	714	764	50	3	41	0
1,564	Renewal	785	1,082	850	Cr 232	4	Cr 167	0
<b>2,229</b>		<b>1,435</b>	<b>1,743</b>	<b>1,467</b>	<b>Cr 276</b>		<b>Cr 205</b>	<b>0</b>
	<b>Recreation</b>							
1,732	Culture	1,675	1,697	1,686	Cr 11	5	3	0
4,737	Libraries	4,403	5,790	5,784	Cr 6	6	9	0
263	Town Centre Management & Business Support	180	262	219	Cr 43	7	Cr 50	0
<b>6,732</b>		<b>6,258</b>	<b>7,749</b>	<b>7,689</b>	<b>Cr 60</b>		<b>Cr 38</b>	<b>0</b>
<b>8,961</b>	<b>Total Controllable R&amp;R Portfolio</b>	<b>7,693</b>	<b>9,492</b>	<b>9,156</b>	<b>Cr 336</b>		<b>Cr 243</b>	<b>0</b>
5,855	<b>TOTAL NON CONTROLLABLE</b>	4,195	Cr 76	Cr 76	0		Cr 29	0
2,088	<b>TOTAL EXCLUDED RECHARGES</b>	2,086	2,090	2,090	0		0	0
<b>16,904</b>	<b>PORTFOLIO TOTAL</b>	<b>13,974</b>	<b>11,506</b>	<b>11,170</b>	<b>Cr 336</b>		<b>Cr 272</b>	<b>0</b>

## 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
Planning Application Fees - Expenditure		30
Planning Application Fees - Income	Cr	30
Merit Award		27

## Latest Approved Budget for 2017/18

15,735

## Memorandum Items

Insurance	Cr	242
IAS19 (FRS17)		785
Past service cost	Cr	68
Repairs & Maintenance		144
Capital Charges 5802	Cr	852
Deferred Charges (REFCUS) 5804	Cr	452
Impairment 5806	Cr	2,391
Gov Grants Deferred 5807	Cr	1,134
Rent Income	Cr	23
Excluded Recharges		4

## Reported Latest Approved Budget for 2017/18

11,506

## **REASONS FOR VARIATIONS**

### **1. Building Control Cr £83k**

Within the chargeable account for Building Control, there was an income deficit of £107k. This was more than offset by an underspend within salaries of £108k arising from reduced hours being worked and vacancies, and £19k underspend on supplies and services. In accordance with Building Account Regulations, the net surplus for 2017/18 of £20k has been carried forward into 2018/19 via the earmarked reserve for the Building Control Charging Account. The cumulative balance on this account is therefore now £202k, taking into consideration the opening balance of £182k at the start of 2017/18.

Within the non-chargeable service, as a result of delays in appointing to vacant posts, there was an underspend of £78k on staffing and a minor underspend of £5k on supplies and services.

### **2. Land Charges Cr £11k**

There was an income deficit of £39k within the Charging Account. This was partly offset by underspends on staffing and running expenses of £29k. The net deficit of £10k has been carried forward into 2018/19 via the earmarked reserve for the Land Charges Account. If the income continues to drop, officers will have to review the charges.

There was an underspend of £11k on the Non-Chargeable budget due to part year vacancies.

### **3. Planning Dr £50k**

Income from non-major planning applications was £106k above budget for 2017/18. For information, actual income received in 2017/18 was £41k higher than for the previous year, largely due to improving economic conditions, and statutory fees increase from 18th Jan 2018.

For major applications, £356k was received in 2017/18, which was £42k above budget. Actual income was £40k more than that received for 2016/17.

Surplus income £34k of was achieved from pre-application meetings due to higher than budgeted activity levels. This was £11k less than the income received in 2016/17.

Additional income of £15k was achieved within the street naming & numbering service, which was £17k less than that received in the previous year.

Additional costs of £37k were incurred for specialist consultancy advice required for planning applications on agriculture and ecology matters, and planning appeals,

There was an overspend of £193k relating to planning appeals claims, which included Sundridge Park and other planning appeals that have been lost.

Other net variations total Dr £17k across the planning service of which £15k is related to scanning, archiving and microfilming.

#### **Summary of variations within Planning:**

	<b>£'000</b>
Surplus of income from non-major applications	Cr 106
Surplus income from major planning applications	Cr 42
Surplus pre-application income	Cr 34
Surplus income from street re-naming	Cr 15
Specialist consultancy costs	37
Planning appeals claims	193
Other net variations	17
<b>Total variation for Planning</b>	<b><u>50</u></b>

The Council was awarded a sum of £144.4k from the Proceeds of Crime Act prosecution as part of the Asset Recovery Incentivisation Scheme. £84.6k of this sum has been allocated to the Planning Service. On 28th March 2018, Executive approved the request to carry forward both the expenditure and grant income budgets in order to carry out works on asset recovery, crime reduction projects and community projects during 2018/19.

### **4. Renewal Cr £232k**

Part year vacancies have resulted in a £34k underspend on staffing and there is a net underspend of £27k across supplies and services, which includes an Cr £8k for maintenance works on War Memorials.

There was an underspend of £171k on the Town Centre Development Works funded by the New Homes Bonus. The GLA has agreed the re-profile of spend. On 28th March 18 Executive agreed in principle to carry forward the NHB unspent balance and formal approval is now requested in order to complete the specific projects.

In March 2018, notification was received from DCLG that the Council had been awarded a Custom Build grant of £30k. Due to the late notification, it has not been possible to spend this grant and a carry forward request will be submitted to the Executive in order to carry out the works in the next financial year.

#### **Summary of variations within Renewal**

	<b>£'000</b>
Staff vacancies	Cr 34
Underspend on Supplies and Services	Cr 27
Underspend on projects funded by NHB (carry forward request)	Cr 171
<b>Total variation for Renewal</b>	<b><u>Cr 232</u></b>

**5.Culture Cr £11k**

There was a net minor underspend of £11k for the Culture service, mainly due to maternity cover.

**6.Libraries Cr £6k**

The Library service has a net underspend of £9k. This includes a £16k underspend on staffing due to vacancies, a £39k underspend from savings on the back office for the first 7 months of the year, an income shortfall of £32k mainly relating to book fines and DVD hire and other minor variations total to Dr £17k.

<b>Summary of variations within Libraries:</b>	<b>£'000</b>
Staff vacancies	Cr 16
Savings from the Back Office	Cr 39
Shortfall of income (Book fines & DVD hire)	32
Other minor variations	17
<b>Total variation for Libraries</b>	<b><u>Cr 6</u></b>

**7.Town Centre Management & Business Support Cr £43k**

There is an overall £43k underspend for Town Centre Management & Business Support.

The Penge Pop up shop project was underspent by £29k. Following the change of focus of the regeneration plan and the change in contractor to Cushman and Wakefield, there was also an underspend of £7k on the Orpington town centre scheme. Both of these projects are funded from the New Home Bonus, and the GLA has agreed the re-profile of spend. On 28th March 18 Executive agreed in principle to carry forward the NHB unspent balance and formal approval is now requested in order to complete the specific projects.

Other net underspends total £7k, mainly due to staff vacancies.

<b>Summary of variations within TCM:</b>	<b>£'000</b>
Underspend on Penge Pop Up TC scheme (carry forward request)	Cr 29
Underspend on Orpington TC scheme (carry forward request)	Cr 7
Other net underspends	Cr 7
<b>Total variation for TCM</b>	<b><u>Cr 43</u></b>

**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.