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**Decision Maker:** **Resources, Commissioning & Contract Management Portfolio Holder**  
**for pre-decision scrutiny by Executive and Resources PDS Committee on**

**Date:** **5 July 2018**

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

**Title:** **BUDGET MONITORING 2018/19 - DRAWDOWN OF CARRY FORWARDS FROM CENTRAL CONTINGENCY**

**Contact Officer:** Claire Martin, Head of Finance  
Tel: 020 8313 4286 E-mail: [claire.martin@bromley.gov.uk](mailto:claire.martin@bromley.gov.uk)

**Chief Officer:** Director of Finance

**Ward:** Boroughwide

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1. Reason for report

- 1.1 This report requests approval for drawdown from the central contingency of underspends carried forward from 2017/18 to be allocated to the Resources, Commissioning and Contract Management (RCCM) Portfolio.
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2. **RECOMMENDATION(S)**

- 2.1 **The Resources, Commissioning and Contract Management Portfolio Holder is requested to agree the drawdown from the Central Contingency of 2017/18 carry forward sums totalling £777k (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: RCCM Portfolio
  4. Total current budget for this head: £42.1m 2018/19 Latest Approved Budget
  5. Source of funding: Controllable Revenue Budget for the RCCM Portfolio
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### Personnel

1. Number of staff (current and additional): 205.5 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 21st May 2018, Executive approved the carry forward of 2017/18 underspends totalling £1.124m (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 28 March 2018 Executive agreed that £183k (net) could be carried forward and on 26 February 2018, Council agreed that £152k would be carried forward to meet the cost of waiving rent charges for Day Centres. Further details are provided in the 2017/18 Provisional Final Accounts report.
- 3.2 As part of the first budget monitoring report for 2018/19 (Executive on 11<sup>th</sup> July 2018), 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 & Housing (26th June 2018)	419
Executive, Resources & Contract (5th July 2018)	815
Environment (10th July 2018)	280
Public Protection & Enforcement (3rd July 2018)	67
Education (4th July 2018)	678
Care Services (27th June 2018)	4,226
<b>Total Expenditure</b>	<b>6,485</b>
Government Grant Income	Cr 5,361
<b>Total net carry forwards requested for drawdown this cycle</b>	<b>1,124</b>

- 3.3 The total sum relating to the Resources Portfolio being requested this cycle is £815k and £38k of this sum is funded by government grant providing a net carry forward of £777k. Details are provided in the table below:

2017/18 Carry Forward Sums - Request to Drawdown		£'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. £50k has been carried forward into 2018/19 in order to enable the completion of the scheme.	50
Debt Management System Project - Transformation Grant	Transformation grant of £344k was received during March 2016 and was set aside to fund the new Debt Management System. To date £306k has been spent however the balance of £38k is needed to meet the costs of final testing of the system during 2018/19.	38
Exchequer Revenue & Benefits - Exchequer Contract	£91k has been carried forward to meet the potential costs of retendering the Exchequer contract.	91
<b>Continued overleaf</b>		<b>179</b>

<b>2017/18 Carry Forward Sums - Request to Drawdown (cont'd)</b>		<b>£'000</b>
Biggin Hill Airport Noise Action Plan	A sum of £44k was carried forward from 2016/17 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, mostly for legal costs, 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 agreed in principle on 21 May 2018 to carry forward the underspend of £25k on the Biggin Hill Airport project.	24
Information Systems & Telephony GDPR	The Executive on 6th December 2017 approved funding for GDPR compliance work of £495k, which required draw down from Central Contingency. £426k of the funding related to IT Systems, staffing and training work. No spend was incurred on the project in 2017/18 and, as agreed at the Executive on 21 May 2018, £426k has been carried forward to fund the GDPR work relating to IT in 2018/19.	426
Legal Staff Costs GDPR	Of the £495k funding for GDPR compliance work approved by the Executive on 6th December 2017, £69k related to Legal staffing. £17k was spent during 2017/18 and £52k has been carried forward to enable the legal GDPR work to be carried out in 2018/19.	52
Merit Awards	As part of the introduction of Localised Pay, Members agreed a merited reward for exceptional performers and a provision of £200k was included in the Central Contingency. £28k has been allocated for initiatives to benefit staff, as put forward by the Departmental Representatives, including an initiative for a staff survey to be carried out in 2018/19. The remaining £8k is for the staff Merit Reward vouchers.	36
Exchequer Revenue & Benefits - Upgrade of Academy System	A sum of £98k is requested, which has been met from underspends on Revenue & Benefits to fund an essential system upgrade. The Academy system is used for the collection of council tax and business rates as well as the payment of housing benefits and council tax support. The current system will no longer be supported from Autumn 2018 without an essential upgrade. There is a benefit from the upgrade relating to moving to a 'cloud' based system which will assist in future disaster recovery planning as well as support more flexible working.	98
<b>Total Expenditure</b>		<b>815</b>
<b>Grant Income</b>		<b>Cr 38</b>
<b>Total (net of Grant Income)</b>		<b>777</b>

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 2018/19 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 The sums carried forward relate to underspends in 2017/18 where expenditure is likely to be incurred in 2018/19. Further details are provided in the 2017/18 Provisional Final Accounts report to Executive on 21 May 2018.
- 6.2 In addition to the net carry forward sums of £777k detailed in the table within 3.3, three other carry forward sums were previously agreed, that have automatically been added to the 2018/19 RCCM Portfolio budget as follows: -

### Previously Approved Carry Forwards Requests

#### APPROVED BY COUNCIL 26TH FEBRUARY 2018

£'000

Short Term Assistance to Day Centres	Agreement to waive rent charges for Day Centres for a period of 12 months whilst finalising the Council's longer term plans in the 'Strategy for the Older Person'. Council agreed that the funding would be met from underspends in the 2017/18 Central Contingency.	152
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#### APPROVED BY EXECUTIVE 28TH MARCH 2018

Repairs & Maintenance	There is an underspend of £163k on the planned maintenance budget due to the delay on works relating to the central depot wall. Executive, on 28th March 2018, agreed to carry forward this balance.	163
Democratic Services	Executive, in March 2018, agreed to carry forward £20k of the underspend in the Democratic Representation budget into 2018/19 to support the purchase of IT equipment for any new Council Members following the May 2018 local elections.	20

#### Total Expenditure

**335**

<b>Non-Applicable Sections:</b>	Legal, Personnel, Procurement
Background Documents: (Access via Contact Officer)	Provisional final Accounts - Executive 21 May 2018; Budget Monitoring 2018/19 – Executive 11 <sup>th</sup> July 2018; Financial Management Budget Monitoring files with Resources finance section.