

Report No.
RR11/053

London Borough of Bromley

PART 1 - PUBLIC

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Decision Maker: Renewal & Recreation Portfolio Holder

For Pre-decision scrutiny by the Renewal & Recreation PDS Committee on 5 July 2011

Date: 5 July 2011

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN 2010/11

Contact Officer: Claire Martin, Head of Finance
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Chief Officer: Marc Hume, Director of Renewal and Recreation

Ward: Boroughwide

1. Reason for report

This report provides the Portfolio Holder with the provisional final outturn position for 2010/11.

2. **RECOMMENDATION(S)**

2.1 The Portfolio Holder is requested to endorse the 2010/11 provisional outturn position for the Renewal & Recreation Portfolio.

Corporate Policy

1. Policy Status: Existing policy. Sound financial management
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: All Renewal and Recreation Portfolio Budgets
 4. Total current budget for this head: £16.5m
 5. Source of funding: Existing revenue budgets
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Staff

1. Number of staff (current and additional): 362
 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: Call-in is 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? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The 2010/11 provisional outturn for the Renewal and Recreation Portfolio is an overspend of £2,471k. This includes variations for capital charges and inter-committee recharges of £2,607k, leaving a variance of Cr £136k against the controllable budget of £11,006k representing a 1.24% variation. This compares with a projected Cr £172k variation previously reported to the April meeting of the PDS committee. The detailed variations are shown in Appendix 1.
- 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. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan for 2009/10 includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley’s Best Value Performance Plan “Making a Difference” refers to the Council’s intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2010/11 to minimise the risk of compounding financial pressures in future years.
- 4.4 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 table below summarises the financial position for the controllable budget of the Renewal and Recreation Portfolio: -

SUMMARY OF VARIATION	£'000
Shortfall of building control income	177
Savings from management action within building control	(198)
Shortfall of planning income	245
Savings from management action within planning	(241)
Legal costs relating to lost appeals	81
Underspend within Portfolio Holder Initiative Fund	(53)
Underspend relating to Local Development Framework	(100)
Other variations	(47)
	<u>(136)</u>

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	2010/11 budget monitoring files within ES finance section