

Renewal & Recreation - Variations – 31 March 2011**1. Adult Education College Cr £5k**

There is an underspend of £37k against employee related budgets, mainly due to vacancies totalling £30k, £5k on training and £2k on staff advertising.

Other running expenses are showing an overall underspend of £7k made up of several small variations across several codes.

There are shortfalls of income totalling £39k. (Tuition fees £32k and £7k for refreshments and other sales).

CARRY FORWARD REQUEST

- A. This relates to the grant from the Skills Funding Agency that runs on an academic year and therefore both the funding and expenditure will run until July 2011. Request to carry forward Dr £286k and Cr £286k.

2. Building Control Cr £21k

A report was submitted to the Executive to drawdown £138k from the central contingency following changes to legislation, this has subsequently been reduced to £48k as the surplus provision (detailed below) is being used to meet the effect of the legislation changes instead.

A shortfall of income of £176k due to the current recession, is being offset by savings of £198k from management action to reduce costs, including holding 4.73fte vacant.

Part of the provision set aside for the costs of the dangerous structures relating to the plane crash site are no longer required as the insurance company has now settled the revised invoice. The balance of £74k has been written back to the building control code.

£75k surplus as shown below has been carried forward to 2011/12 in an earmarked reserve to be used to offset future building regulation charges in accordance with the formal guidance from CIPFA.

Description	Latest Approved Budget £	Actual Chargeable Costs £	Non- Chargeable Costs £	Total Spend £	Variation to Budget £
Employees & running costs	1,087,220	677,575	211,677	889,252	(197,968)
Contribution to reserve	0	75,095	0	75,095	75,095
Building Control Income	(1,208,400)	(1,028,548)	(3,313)	(1,031,861)	176,539
Other Contributions	0	0	(74,296)	(74,296)	(74,296)
Total Controllable	(121,180)	(275,878)	134,068	(141,810)	(20,630)
FRS 17 adjustments	0	63,113	21,038	84,151	84,151
Excluded recharges	172,220	212,765	(44,069)	168,696	(3,524)
Total non-controllable	172,220	275,878	(23,031)	252,847	80,627
Total Net Expenditure	51,040	0	111,037	111,037	59,997

3. Land Charges Dr £0k

An income deficit of £81k has arisen because the Government withdrew the statutory fee for personal searches in August 2010. This has been partly offset by a reduction in expenditure for staffing and running expenses as the number of personal searches reduced dramatically after this date (Cr £17k). This overspend has been funded by drawing down part of a contingency which was set aside for the likely event of the withdrawal of this statutory fee which currently has a balance of £162k.

4. Planning Dr £85k

Income from planning was £245k below budget and £121k below the actual received for 2009/10. This was an improvement on the previously projected shortfall of £265k.

Income from major applications totalled £236k, £157k less than the £393k received for 2009/10. Income generated from non-major applications totalled £681k, an increase of £36k compared to the £645k received the previous financial year.

Management action taken includes holding 3.08 fte posts vacant and reducing spend on running expenses totalling Cr £241k.

Legal costs relating to planning appeals that have been lost total £110k for 2010/11. This has been partly reduced by £29k from a surplus sundry creditor provision relating to 2009/10 appeal costs that have been reduced following successful negotiations to reduce costs by officers. The resulting overspend totals £81k and this will not be met by a drawdown of an equivalent sum from the central contingency balance of £90k as it can be contained within the overall budget of R & R.

Summary of Planning variations	Variation £'000
Effect of holding 3.04 FTE's vacant within Planning	(142)
Underspend within transport, supplies & services resulting from management action within Planning	(99)
Shortfall of income from planning fees	245
Balance of legal costs relating to lost appeals	81
Total variation	85

5. Renewal Cr £185k

Within the planning renewal section, there is an underspend within supplies and services of £32k due to management action taken to reduce costs to help offset the shortfall of income from planning applications.

CARRY FORWARD REQUESTS

- B. There is an underspend of £53k within the Portfolio Holder Initiative fund, for which a carry forward request will be submitted to the Executive. It is intended to spend this amount on Town Centre events during 2011/12 the details of which were agreed by both the Portfolio Holder and the PDS Committee in February.
- C. There is also an underspend of £100k for Local Development Framework expenditure for which a carry forward request will be submitted to the Executive to enable the consultation and evidence preparation to be undertaken during 2011/12 and 2012/13 within the deadline submitted by the Government in December 2010.

The LDF Advisory Panel 17th January 2011 agreed a revised indicative programme for the continuing preparation of the Core Strategy. This reflects the LDF timescale included in the Annual Monitoring Report submitted to Government in December 2010.

This timescale shows the first and second rounds of public consultation taking place in 2011/12 and the final round in 2012/13. In addition the preparation of the evidence base continues throughout the process, the preparation of the Infrastructure Delivery Plan to show how the Core Strategy will be implemented and other elements of the LDF will develop from the emerging Core Strategy, in particular any Site Allocations DPD, design and development control documents.

APPENDIX 1

However, there are several areas of work which require funding to enable a robust Core Strategy and LDF to be prepared during the revised timescales that will mean the expenditure will not now take place until 2011/12.

6. Culture Dr £22k

There is an overspend of £22k on the grant payment to Bromley Mytime. This is as a result of the RPIX applied to the grant being higher than the amount added in to the LBB budget as part of the estimate process.

There is also an overspend of £8k on the Churchill Theatre Management Fee due to actual inflation being higher than the budgeted inflation.

This cost is partly offset by additional income from schools visiting the BEECH centre (£6k) and other minor variations totalling £2k.

7. Libraries Cr £29k

The net total outturn for this area is a £29k underspend compared to a nil variance previously reported. This is mainly due to extra rebates being received for business rates (£30k) during March.

Staffing - There is a net overspend of £64k for staffing made up of Dr £90k on officers pay mainly due to the staff turnover not being fully met, partly offset by underspends on Saturday and casual staff as well as training expenses Cr £26k.

Premises - Rate rebates for business rates have been received totalling £171k. This is offset by an overspend on the cleaning contract of Dr £15k resulting in a net variance of Cr £156k for premises costs.

Other running expenses – The book fund was frozen to offset the shortfall of income and an underspend of £99k has been achieved. This was partly offset by an overspend of £69k which relates to the payment of backdated (previously disputed) invoices relating to an internet provider. Other minor underspends of £8k were made up of minor variations in other budgets giving a net underspend of £22k for running expenses.

Due to the economic climate there are shortfalls of income of £85k mainly from hire charges for DVDs/CDs of £35k, photocopying charges £13k, contributions from other local authorities £25k and other income streams £12k.

8. Town Centre Management & Business Support Cr £3k

An underspend on staffing of £9k due to vacancies during part of the year is partly reduced by additional expenditure incurred for equipment £6k.

9. Non-controllable variations Dr £2,607k

A breakdown of the Dr £2,607k variation in non-controllable budgets is shown in the table below: -

Non-controllable Variations	£'000	£'000
Non-controllable budgets		
FRS17 adjustments	1,147	
Landlord repairs and maintenance	(270)	
Insurance	2	
Capital Charges	2,079	
Property Rental Income	<u>(7)</u>	2,951
Excluded Recharges		
Support Service recharges	(206)	
Admin Buildings	(105)	
Computer charges	(58)	
Other net recharges	<u>25</u>	(344)
		<u><u>2,607</u></u>

Explanations for these variations are: -

FRS17 adjustments Dr £1,147k

An actuarially assessed adjustment to the employer's pension fund contribution is required to be made under FRS17. This is to reflect the Current Service Cost (the cost of the extra accrual of benefit for active members net of employee contributions, based on assumptions at the start of the year) in our accounts rather than the actual employer contributions. This has resulted in an overall variation of Dr £1,147k for this portfolio.

Variation in repairs and maintenance Cr £270k

For operational reasons and client unit requirements a number of repair and maintenance projects that were scheduled for completion by 31 March 2011 will not be complete until sometime later in 2011. A carry forward request has been made for £748k to continue funding on-going works in the new financial year.

The Property and Finance Sub-Committee in December 2001 agreed for a carry forward to be made at the end of each financial year of revenue underspends on landlord building maintenance on the basis that the Chief Property Officer will continue to seek to contain total expenditure within approved annual budgets.

Insurances Dr £2k

Insurance recharges are partly based on actual premiums paid in the year and partly on the actual claim payments made. While the premium-based element is known in advance and does not produce significant variations, the claims-based element can vary significantly between years. This has resulted in an overall variation of Dr £2k for this portfolio.

Variation in capital charges, etc Dr £2,079k.

Various entries relating to capital expenditure and fixed assets are required to be charged to service revenue accounts, although it is important to note that these are all reversed out and are therefore cost-neutral.

These comprise:

- Depreciation – variations in the charge for the depreciation of fixed assets arise from revaluations carried out during the year. This has resulted in an overall variation of Dr £74k for this portfolio.
- Revenue expenditure funded by capital under statute - capital expenditure on assets over which the Council has no direct control or which does not add value to the Council's fixed asset base is shown as a charge to revenue services. Variations mainly arise due to re-phasing of expenditure between years or as the result of new

APPENDIX 1

expenditure / grant funding. This has resulted in an overall variation of Dr £1,074k for this portfolio.

- Fixed asset impairment – all of the Council's fixed assets are re-valued by the Property Division at least every 5 years and an impairment charge is made to revenue services in respect of downward revaluations. These revaluations are completed towards the end of the financial year and no budgetary provision is made for them. Impairment losses totalling Dr £931k have been charged to this portfolio.

Variation in rental income Cr £7k:

For information here, the variations relate to a small surplus within property rental income budgets across the division. Property department are accountable for these variations.

Excluded recharges Cr £344k

Variations in cross-departmental recharges are offset by corresponding variations within other portfolio budgets and have no impact on the overall position.