

Decision Maker: Renewal, Recreation & Housing Portfolio Holder

For Pre-decision Scrutiny by the Renewal, Recreation & Housing PDS Committee

Date: 13th November 2018

Decision Type: Non-Urgent Executive

Title: BUDGET MONITORING 2018/19

Contact Officer: Claire Martin, Head of Finance
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Chief Officer: Nigel Davies, Executive Director of Environment and Community Services
Ade Adetosoye OBE, Deputy Chief Executive & Executive Director

Ward: Borough wide

1. Reason for report

This report provides an update of the latest budget monitoring position for 2018/19 for the Renewal, Recreation and Housing Portfolio based on expenditure and activity levels up to 30 September 2018. This shows a projected under spend of £49k for the total portfolio budget.

2. RECOMMENDATION(S)

That the Portfolio Holder is requested to:

- 2.1 To endorse the latest 2018/19 budget projection for the Renewal, Recreation & Housing Portfolio.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None directly from this report.
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Corporate Policy

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

1. Cost of proposal: Estimated Cost Not Applicable
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Renewal, Recreation & Housing Portfolio Budgets
 4. Total current budget for this head: £22.473m
 5. Source of funding: Existing revenue budgets 2018/19
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Personnel

1. Number of staff (current and additional): 197.7ftes
 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: Applicable
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Procurement

1. Summary of Procurement Implications: None directly from this report.
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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? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The 2018/19 projected outturn is detailed in Appendix 1, with a forecast of projected spend for each division compared to the latest approved budget and identifies in full the reason for any variances.
- 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. 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. Delivering Value for Money is one of the Corporate Operating Principles supporting Building a Better Bromley.
- 5.2 The “2018/19 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2018/19 to minimise the risk of compounding financial pressures in future years.
- 5.3 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.

6. FINANCIAL IMPLICATIONS

- 6.1 The controllable budget for the Renewal, Recreation and Housing Portfolio is expected to under spend by £51k at the year-end, based on the financial information available as at 30 September 2018. This figure excludes the non-controllable variation of Dr £2k.
- 6.2 As requested at the June PDS meeting, the following table summarises the budget variations over the key areas: -

		Variance
		£'000
Staff Vacancies	Cr	515
Income		295
Consultancy/Specialist Advice		179
Contracts	Cr	56
Temporary Accommodation		1,477
Contingency Drawdown	Cr	1,477
Travellers Sites		61
Other miscellaneous	Cr	15
	Cr	51

Environment & Community Services Department (Cr £15k)

- 6.2 For Building Control and Land Charges, there is a net projected under spend of £86k within the staffing budget due to vacant posts and reduced hours being worked.
- 6.3 There is an overall deficit of income of £94k expected for planning income. This is mainly from non-major planning applications and pre-application meetings. The deficit is partly offset by an under spend of £77k within staffing due to part year vacancies.
- 6.4 Additional costs of £109k have been incurred for the procurement of specialist advice required for planning appeals, where there is no in-house expertise.
- 6.5 Part year vacancies within Renewal have resulted in an under spend of £126k. This is offset by £70k for consultancy and legal fees for the public enquiries following submission of the London Plan.
- 6.6 There is a net over spend of £13k projected for Recreation mainly due to the Mytime contract, as the actual inflation applied was 2.2% higher than the 2% built into the 2018/19 budget. This is offset by underspends elsewhere within the Portfolio.
- 6.7 There are part year vacancies within the Housing Improvement team totalling Cr £12k.

Education, Care & Health Services Department (Cr £36k)

- 6.8 The supporting people budget is expected to underspend by £74k as a result of contact negotiations.
- 6.9 Temporary Accommodation costs are likely to exceed the budget by £1.477m. This is due to a higher than expected increase in clients going to nightly paid accommodation together with an increase in the provision for bad debts for rent income.
- 6.10 An amount of £1.477m will be drawn down from the Central Contingency to meet the extra costs of temporary accommodation and increase in bad debt provision.
- 6.11 Other variations include a £61k net overspend for Travellers sites, offset by a net under spend of £10k within Housing Needs and other minor variations of Cr £13k.

6.12 The table below summarises the main variances within the divisions: -

Summary of Major Variations	£'000
Building Control/Land Charges staffing vacancies	Cr 86
Planning income	94
Vacancies within planning	Cr 77
Specialist advice for planning appeals	109
Vacancies within Renewal team	Cr 126
Potential costs of public enquiry	70
Inflation on Mytime contract	13
Vacancies within Housing Improvement team	Cr 12
Contract negotiation savings within the Supporting People Area	Cr 74
Temporary Accommodation	1,477
Contingency drawdown	Cr 1,477
Travellers Sites	61
Housing Needs	Cr 10
Other variations	Cr 13
	Cr 51

Non-Applicable Sections:	Legal, Procurement and Personnel Implications
Background Documents: (Access via Contact Officer)	2018/19 budget monitoring files within ECS and ECHS Finance sections