

Renewal, Recreation & Housing Budget Monitoring Summary

2017/18 Actuals £'000	Division Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT							
	Planning							
Cr 7	Building Control	82	82	Cr 1	Cr 83	1	Cr 25	0
Cr 140	Land Charges	Cr 126	Cr 126	Cr 129	Cr 3	2	0	0
764	Planning	736	711	837	126	3	Cr 60	0
850	Renewal	801	956	900	Cr 56	4	0	0
1,467		1,493	1,623	1,607	Cr 16		Cr 85	0
	Recreation							
1,686	Culture	1,786	1,828	1,874	46	5	18	0
5,784	Libraries	5,030	5,030	5,020	Cr 10	6	0	0
219	Town Centre Management & Business Support	189	181	158	Cr 23	7	0	0
7,689		7,005	7,039	7,052	13		18	0
	ECS - Housing							
194	Housing Improvement	203	203	191	Cr 12	8	0	0
194		203	203	191	Cr 12		0	0
9,350	Total Controllable ECS DEPT	8,701	8,865	8,850	Cr 15		Cr 67	0
Cr 814	TOTAL NON CONTROLLABLE	2,542	2,521	2,523	2	9	0	0
2,466	TOTAL EXCLUDED RECHARGES	1,857	1,857	1,857	0		0	0
11,002	Total ECS DEPARTMENT	13,100	13,243	13,230	Cr 13		Cr 67	0
	EDUCATION, CARE & HEALTH SERVICES DEPARTMENT							
	Operational Housing							
913	Supporting People	1,013	1,013	939	Cr 74	10	Cr 74	Cr 94
8,074	Housing Needs	6,241	6,241	7,756	1,515	11	1,582	1,727
0	Housing Needs Drawdown	0	0	Cr 1,477	Cr 1,477	11	Cr 1,597	Cr 995
0	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 1,838	Housing Benefits	Cr 1,984	Cr 1,984	Cr 1,984	0		0	0
7,149	Total Controllable ECHS DEPT	5,269	5,269	5,233	Cr 36		Cr 89	638
789	TOTAL NON CONTROLLABLE	286	286	286	0		0	0
3,209	TOTAL EXCLUDED RECHARGES	3,675	3,675	3,675	0		0	0
11,147	Total ECHS DEPARTMENT	9,230	9,230	9,194	Cr 36		Cr 89	638
22,149	PORTFOLIO TOTAL	22,330	22,473	22,424	Cr 49		Cr 156	638

Reconciliation of Latest Approved Budget

£'000

Original budget 2018/19

13,943

Transfer of Housing to Renewal, Recreation & Housing Portfolio

8,387

2018/19 Revised Original Budget

22,330

Carry Forward Requests approved from 2017/18

Implementing Welfare Reform Changes - Grant Expenditure		55
Implementing Welfare Reform Changes - Grant Income	Cr	55
Flexible Homeless Grant - Expenditure		83
Flexible Homeless Grant - Income	Cr	83
Fire Safety Grant - Expenditure		44
Fire Safety Grant - Income	Cr	44
Planning Strategy & Projects - Custom Build Grant - Expenditure		30
Planning Strategy & Projects - Custom Build Grant - Income	Cr	30
Asset Recovery Incentivisation Scheme - Expenditure		85
Asset Recovery Incentivisation Scheme - Income	Cr	85
New Homes Bonus		208

Central Contingency Adjustments

Beckenham and Penge BID	Cr	44
National Increase in Planning Fee - Expenditure		240
National Increase in Planning Fee - Income	Cr	240

Other

R&M - Fire Risk Assessments & Cyclical Maintenance	Cr	21
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Latest Approved Budget for 2018/19

22,473

REASONS FOR VARIATIONS**1. Building Control Cr £83k**

For the chargeable service, an income deficit of £175k is projected based on actual income for April to September 2018. This is mostly offset by a projected underspend within salaries of £159k arising from reduced hours and part year vacancies. In accordance with Building Account Regulations, the net deficit of around £16k will be drawn down from the earmarked reserve for the Building Control Charging Account. The net balance will therefore reduce from Cr £203k to Cr £187k.

Within the non-chargeable service, there is a projected net underspend of £83k, this is mainly the result of part year vacancies.

2. Land Charges Cr £3k

Land Charges income for April to September 2018 is down on profiled budget by £26k. This is offset by £15k underspend on staffing due to reduced hours. At this stage a net deficit of £11k is projected for 2018/19. If the income continues to drop, officers will have to consider increasing the current charges. In accordance with current Regulations, any deficit or surplus will be drawn down from the earmarked reserve for the Land Charges Charging Account (the net balance will therefore increase from Dr £10k deficit to Dr £21k).

There is a projected underspend of £3k on the non-chargeable salary budget.

3. Planning Dr £126k

There is a net £77k underspend on staffing due to part year vacancies.

Income from non-major planning applications is below budget for the first six months of the year, and a shortfall of around £60k is projected for 2018/19 against a budget of £1,228k. For information, actual income of £567k was received for April to September 2018 compared with £531k in 2017/18.

For major applications, £197k has been received as at 30th September, which is £95k higher than for the same period in 2017/18, however because the timing of this income varies, a balanced budget is projected for major applications at this stage of the year. This budget will be closely monitored over the next few months.

Currently there is projected deficit income of Dr £15k from discharge of planning conditions and Dr £36k from pre-application meetings. This is due to a combination of reduced fees and reduction in the number of major schemes submitted. During the period April to September 2018, the number of major pre-application submitted has dropped from 23 to 17 compared with previous year.

Additional net income of £17k is projected across other income budgets.

There is a net overspend of £109k for the cost of consultancy work for planning appeals mainly relating to developments at Westmoreland Road, St Hugh's Playing field and Maybrey. This includes advice from agricultural, ecological, minerals and waste consultants, where there is no in-house expertise with the necessary knowledge and qualifications. If the judgements are found in favour of the Council, then some of the costs incurred for these appeals may be recovered.

Summary of variations within Planning:

	£'000
Underspend on Staffing	Cr 77
Shortfall income from non-major applications	60
Deficit pre-application & discharge of planning condition income	51
Other minor surplus on income	Cr 17
Consultancy cost on major appeals	109
Total variation for Planning	<u>126</u>

4. Renewal Cr £56k

Overall there is a net variation of Cr £56k projected for Renewal. An underspend of £126k on staffing as a result of part year vacancies is being used to offset a potential £70k cost expected for consultancy and legal fees for the public enquiries, following the submission of the London Plan.

5. Culture Dr £46k

Staffing is expected to overspend by £28k mainly due to extra costs incurred for maternity cover. In line with the December 2017 RPIX, 4.2% inflation was applied to the MyTime contract price, 2.2% higher than the 2% inflation built into the 2018/19 budget. This has resulted in a projected overspend of £18k which is being offset by the underspend from within the Planning Service.

6. Libraries Cr £10k

There is a £45k underspend on staffing due to flexible retirement / reduced hours. This is partly offset by £35k overspend across supplies and services budgets as a result of final payments made relating to serving the notice period on terminating the internet and phone lines.

7.Town Centre Management & Business Support Cr £23k

A part year vacancy within the Town Centre Management Team has led to an underspend of £23k being forecast.

8.Housing Improvement Cr £12k

The underspend of £12k relates to part year vacancies within the team.

9.Non-controllable Dr £2k

There is a projected deficit for income of £2k within the property rental income budget. Property division are accountable for these variations.

10. Supporting People Cr £74k

A £74k underspend is currently forecast in the Supporting People area due to contract negotiation savings.

11. Housing Needs Dr £38k

There is currently an overspend of £1,477k in the Temporary Accommodation area. This is due to higher than expected increase in clients going into nightly paid accommodation together with an increase in the provision for bad debts for rent account income that will not be collected.

As additional budget will be requested to be drawdown from contingency later in the financial year to cover this pressure on Temporary Accommodation, the forecast for this is zero.

In addition, by necessity there has been an increased use of non-self-contained accommodation outside of London. Although on the face of it this appears beneficial as the charges are lower, the Housing Benefit Subsidy is capped at the January 2011 Local Housing Allowance (LHA) rates, thus often making these placements more costly than those in London, especially when moving and furniture costs are factored in.

The properties owned by LBB and used for placing temporary accommodation clients is currently expected to underspend by £13k.

The Travellers budget is overspending by £61k and this is due to one of the sites experiencing high use of utilities (overspend of £48k) due to the site not having meters and loss of income (overspend of £23k) due to particular residents rent arrears. This is being offset by a £10k underspend on the staffing due to staff vacancies earlier in the year.

The remaining £10k underspend is various staffing and running costs variations. Housing are currently finalising their new staffing structure that is required to meet the new housing legislation. The funding required will be requested for drawdown later in the year.

Summary of overall variations within Housing:	£'000
Temporary Accommodation	1,477
Contingency Drawdown	Cr 1,477
Travellers Sites	61
Housing Needs	Cr 10
LBB Properties	Cr 13
Total variation for Housing	<u>38</u>

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning 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 waiver has 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 virement has been actioned.