

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 83	0
Cr 140	Land Charges	Cr 126	Cr 126	Cr 127	Cr 1	2	Cr 3	0
764	Planning	736	711	873	162	3	126	0
850	Renewal	801	956	730	Cr 226	4	Cr 56	0
1,467		1,493	1,623	1,475	Cr 148		Cr 16	0
	Recreation							
1,686	Culture	1,786	1,832	1,842	10	5	46	0
5,784	Libraries	5,030	4,916	4,903	Cr 13	6	Cr 10	0
219	Town Centre Management & Business Support	189	181	173	Cr 8	7	Cr 23	0
7,689		7,005	6,929	6,918	Cr 11		13	0
	ECS - Housing							
194	Housing Improvement	203	203	186	Cr 17	8	Cr 12	0
194		203	203	186	Cr 17		Cr 12	0
9,350	Total Controllable ECS DEPT	8,701	8,755	8,579	Cr 176		Cr 15	0
Cr 814	TOTAL NON CONTROLLABLE	2,542	2,521	2,528	7	9	2	0
2,466	TOTAL EXCLUDED RECHARGES	1,857	1,857	1,857	0		0	0
11,002	Total ECS DEPARTMENT	13,100	13,133	12,964	Cr 169		Cr 13	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	8,725	8,758	33	11	38	521
0	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 1,838	Housing Benefits	Cr 1,984	Cr 1,984	Cr 1,703	281	12	0	0
7,149	Total Controllable ECHS DEPT	5,269	7,753	7,993	240		Cr 36	427
789	TOTAL NON CONTROLLABLE	286	286	286	0		0	0
3,209	TOTAL EXCLUDED RECHARGES	3,675	3,673	3,673	0		0	0
11,147	Total ECHS DEPARTMENT	9,230	11,712	11,952	240		Cr 36	427
22,149	PORTFOLIO TOTAL	22,330	24,845	24,916	71		Cr 49	427

Reconciliation of Latest Approved Budget

£'000

Original budget 2018/19

13,943

Transfer of Housing to Renewal, Recreation & Housing Portfolio
2018/19 Revised Original Budget

8,387
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
Additional Income & Saving opportunity (AMEY)	Cr 110
Increase in Cost of Homelessness/Impact of Welfare Reforms	1,739
Homelessness Reduction Act	750

Other

R&M - Fire Risk Assessments & Cyclical Maintenance	Cr 21
Customer Relations Officer post	Cr 4
Strategic and Business Support Services restructure	Cr 3

Latest Approved Budget for 2018/19

24,845

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

For the chargeable service, an income deficit of £168k is projected based on actual income for April to December 2018. This is mostly offset by a projected underspend within the staffing budget of £150k mainly arising from reduced hours working / vacancies. Other minor net overspends total £16k. In accordance with Building Account Regulations, the net deficit of around £34k 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 £169k.

As a result of part vacant posts and reduced hours, a net underspend of £83k is projected for the non-chargeable service.

2. Land Charges Cr £1k

A deficit of £36k is expected for income within the Charging Account which is partly offset by an underspend of £12k on staffing and running expenses, resulting in a net deficit of £24k projected for 2018/19. If the income continues to drop, officers will have to consider increasing the 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 £34k).

There is a projected underspend of £1k on the non-chargeable salary budget.

3. Planning Dr £162k

There is a net £68k underspend on staffing due to part year vacancies.

Income from non-major planning applications is below budget for the first nine months of the year, and a shortfall of around £152k is projected for 2018/19 against a budget of £1,225k. For information, actual income of £768k was received for April to December 2018 compared with £777k in 2017/18.

Additional income of £97k is projected from major planning applications. For information, £397k has been received as at December 17 against a budget of £300k, which is £172k higher than for the same period in 2017/18. As the timing of this income varies, at this stage no further income is projected for the remaining 3 months as planning officers are not expecting any further major applications to come in.

Currently there is a projected income deficit of £35k from pre-application meetings. This is due to a combination of reduced fees and a reduction in the number of schemes submitted. During the period April to December 2018, the number of major pre-application submitted has dropped from 38 to 31 compared with the previous year.

There is a net overspend of £137k for the cost of consultancy work required for planning appeals, mainly relating to developments at Westmoreland Road, St Hugh's Playing field, Bullers Wood School and Maybrey. This included advice from agricultural, ecological, minerals and waste consultants, where there was 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.

Other minor variations total Dr £3k.

Summary of variations within Planning:

	£'000
Underspend on Staffing	Cr 68
Shortfall income from non-major applications	152
Surplus income from major applications	Cr 97
Deficit of income from pre-application meetings	35
Consultancy cost on major appeals	137
Other minor variations	3
Total variation for Planning	<u>162</u>

4. Renewal Cr £226k

Overall there is a net variation of Cr £226k projected for Renewal. This is mainly due to an underspend of £196k on staffing as a result of part year vacancies, which is being used to offset a potential £50k cost expected for consultancy and legal fees for public enquires, following the submission of the London Plan.

Town Centre Development Works funded by the New Homes Bonus is likely to underspend by £80k and therefore a carry forward request is being made to the Executive, to enable the outstanding works to be completed in 2019/20. Formal GLA approval will also need to be obtained to agree the new profile of spend.

Summary of variations within Renewal:

	£'000
Staff vacancies	Cr 196
Consultancy and legal fees for public enquires	50
Underspend on projects funded by NHB (carry forward request)	Cr 80
Total variation for Renewal	<u>Cr 226</u>

5.Culture Dr £10k

Staffing is expected to underspend by £29k mainly due to part year vacancies. 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.

£18k has been spent on survey & valuation works relating to the Leisure service lease proposal with Mytime Active and there are other minor net overspends of £3k.

Summary of variations within Culture:

	£'000
Staff vacancies	Cr 29
Inflation on Mytime contract	18
Survey & valuation works relating to Leisure service lease proposal	18
Other minor net overspends	3
Total variation for Culture	<u>10</u>

6. Libraries Cr £13k

There is a £45k underspend on staffing mainly due to flexible retirement / reduced hours. This is partly offset by £32k 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 £8k

The underspend of £8k mainly relates to a part year staff vacancy within the Town Centre Management team.

8.Housing Improvement Cr £17k

Part year vacancies have resulted in an underspend of £32k. This is partly offset by £10k projected shortfall within renovation grant agency fee income and other minor variations totalling Dr £5k.

9.Non-controllable Dr £7k

There is a projected £7k deficit of income 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 £33k

There is currently an overspend of £1,472k 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.

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.

At the start of the year the number of clients in Temporary Accommodation was 896. By the end of December that number had risen to 990 - an increase of 94 during the year. It is currently expected that this will increase to 1,015 by the end of the financial year, at an average cost of around £6,650 per property per annum. In addition the proportion of 2 bed Temporary Accommodation properties that are required has been increasing, from just under 32% in September to now just under 35%.

These client figures exclude other schemes like More Homes Bromley, Orchard & Shipman, ex-residential care homes, and the Bromley Private Sector Leasing Scheme. Once these client numbers have been included there are currently over 1,600 clients in Temporary Accommodation.

In addition to the increased costs of Temporary Accommodation area, there is additional overspends on staffing of £228k (due to change in legislation) and homelessness prevention work and other associated work of £676k that will also be included as part of the drawdown from the contingency, as highlighted in last years drawdown request.

The Travellers budget is overspending by £70k and this is due to one of the sites experiencing high use of utilities and maintenance costs (overspend of £57k) due to the site not having meters and loss of income (£23k) due to rent arrears. This is being offset by a £10k underspend on staffing due to vacancies earlier in the year.

There has been a reduction of income relating to the Choice Based Letting advertising (£24k) due to Housing Associations not requesting to advertise properties on this platform.

The remaining £11k underspend is various staffing and running costs variations. The staffing structure that is required to meet the new housing legislation is being finalised, and the budget for this is included in the contingency drawdown request.

The budgets shown in Appendix 1A assume the request for drawdown of £2,489k from Central Contingency is approved, but this is grossed up in the table below to illustrate where the pressures are.

	£'000
Summary of overall variations within Housing:	
Temporary Accommodation	940
Increase in Bad Debt Provision	532
Homelessness Prevention	676
Change in Legislation	342
Travellers Sites	70
Furniture Storage	Cr 73
Choice Based Lettings	24
Other Costs	11
Contingency requested for drawdown	Cr 2,489
Total variation for Housing	<u><u>33</u></u>

12. Housing Benefits Dr £281k

Following a review of the bad debt provision, it has been identified that the provision (based on current figures) would need to be increased by an estimated £281k at year end to cover the increase in unrecoverable benefit overpayments.

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 waivers have 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 virements have been actioned.