

Decision Maker: **Renewal, Recreation & Housing Portfolio Holder**
For Pre-decision Scrutiny by the Renewal, Recreation & Housing PDS Committee

Date: **2 July 2019**

Decision Type: Non-Urgent Executive Non-Key

Title: **BUDGET MONITORING 2019/20**

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Chief Officer: Nigel Davies, Executive Director of Environment and Community Services
Sara Bowrey, Director of Housing

Ward: Borough wide

1. Reason for report

This report provides an update of the latest budget monitoring position for 2019/20 for the Renewal, Recreation and Housing Portfolio based on expenditure and activity levels up to 31 May 2019. This shows a projected under spend of £181k for the total portfolio budget.

2. **RECOMMENDATION(S)**

That the Portfolio Holder is requested to:

- 2.1 To endorse the latest 2019/20 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: 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: £21.755m
 5. Source of funding: Existing revenue budgets 2019/20
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Personnel

1. Number of staff (current and additional): 196.5ftes
 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 2019/20 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 2019/20 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 “2019/20 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2019/20 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 £189k at the year-end, based on the financial information available as at 31 May 2019. This figure excludes the non-controllable variation of Dr £8k.
- 6.2 The following table summarises the budget variations over the key areas: -

	Latest Approved	Projection	Variation	%
	£'000	£'000	£'000	
Staffing	8,596	8,130	-466	-5.42%
Running expenses	4,314	4,300	-14	-0.32%
Contracts	4,422	4,422	0	0.00%
Temporary accommodation - costs	17,735	17,749	14	0.08%
Housing Benefits - payments	106,489	106,489	0	0.00%
Temporary accommodation - income	-11,210	-11,202	8	-0.07%
Housing Benefits - subsidy	-108,401	-108,401	0	0.00%
Other Income	-6,306	-6,037	269	-4.27%
Consultants	157	157	0	0.00%
	15,796	15,607	-189	-1.20%

Further details of the variations are provided in Appendix 1

Environment & Community Services Department (Cr £95k)

- 6.3 For Building Control, there is a net projected under spend of £83k within the staffing budget due to vacant posts and reduced hours being worked.
- 6.4 There is an overall deficit of income of £141k 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 £95k within staffing due to part year vacancies.
- 6.5 As a direct result of losing a planning appeal, partial award of costs have been awarded against the Council totalling £50k. This is partly offset by the release of part of a provision which is no longer required (Cr £40k).
- 6.6 Part year vacancies within the Renewal team have resulted in a projected underspend of £125kch is partly offsetting £50k additional costs for specialist consultancy and legal work relating to both the Local Plan appeal and the London Plan.

Education, Care & Health Services Department (Cr £94k)

- 6.7 There is a projected underspend of £116k in the Supporting People budget, mainly as a result of contract savings.
- 6.8 Temporary Accommodation budgets are projected to overspend by £22k, mainly as a result of higher than anticipated numbers of households being placed in nightly paid accommodation, although this is at a significantly lower level than in recent years, due to the impact of preventative work and the supply of properties through the More Homes Bromley scheme.

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

Summary of Major Variations	£'000
Building Control staffing vacancies	Cr 83
Planning income	141
Vacancies within planning	Cr 95
Partial award of costs relating to an appeal that was lost	50
Release of a provision no longer required	Cr 40
Vacancies within the Renewal team	Cr 125
Specialist consultancy/legal costs for Local Plan appeal and London Plan	57
Supporting People contracts	Cr 116
Temporary accommodation	22
	Cr 189

Non-Applicable Sections:	Legal, Procurement and Personnel Implications
Background Documents: (Access via Contact Officer)	2019/20 budget monitoring files within ECS and ECHS Finance sections