

Renewal, Recreation & Housing Budget Monitoring Summary

2017/18 Actuals £'000	Division Service Areas	2018/19 Original Budget £'000	2018/19 Final Approved £'000	2018/19 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT								
Planning								
Cr 7	Building Control	82	81	Cr 11	Cr 92	1	Cr 83	0
Cr 140	Land Charges	Cr 126	Cr 124	Cr 127	Cr 3	2	Cr 1	0
764	Planning	736	724	844	120	3	162	0
850	Renewal	801	932	733	Cr 199	4	Cr 226	0
1,467		1,493	1,613	1,439	Cr 174		Cr 148	0
Recreation								
1,686	Culture	1,786	1,908	1,923	15	5	10	0
5,784	Libraries	5,030	4,881	4,859	Cr 22	6	Cr 13	0
219	Town Centre Management & Business Support	189	170	132	Cr 38	7	Cr 8	0
7,689		7,005	6,959	6,914	Cr 45		Cr 11	0
ECS - Housing								
194	Housing Improvement	203	203	188	Cr 15	8	Cr 17	0
194		203	203	188	Cr 15		Cr 17	0
9,350	Total Controllable ECS DEPT	8,701	8,775	8,541	Cr 234		Cr 176	0
Cr 814	TOTAL NON CONTROLLABLE	2,542	1,421	1,421	0		7	0
2,466	TOTAL EXCLUDED RECHARGES	1,857	1,978	1,978	0		0	0
11,002	Total ECS DEPARTMENT	13,100	12,174	11,940	Cr 234		Cr 169	0
EDUCATION, CARE & HEALTH SERVICES DEPARTMENT								
Operational Housing								
913	Supporting People	1,013	1,013	939	Cr 74	9	Cr 74	Cr 94
8,074	Housing Needs	6,241	8,733	8,784	51	10	33	521
0	Enabling Activities	Cr 1	Cr 1	0	1		0	0
Cr 1,838	Housing Benefits	Cr 1,984	Cr 1,484	Cr 1,149	335	11	281	0
7,149	Total Controllable ECHS DEPT	5,269	8,261	8,574	313		240	427
789	TOTAL NON CONTROLLABLE	286	423	423	0		0	0
3,209	TOTAL EXCLUDED RECHARGES	3,675	3,677	3,677	0		0	0
11,147	Total ECHS DEPARTMENT	9,230	12,361	12,674	313		240	427
22,149	PORTFOLIO TOTAL	22,330	24,535	24,614	79		71	427

Reconciliation of Final 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
Additional Income & Saving opportunity (AMEY)	Cr 110
Increase in Cost of Homelessness/Impact of Welfare Reforms	1,739
Homelessness Reduction Act	750
Additional Homelessness Prevention Grant Allocation	89
Additional Homelessness Prevention Grant Allocation	Cr 89
Universal Credit - Claimant Fault Overpayment Recoveries	500

Other

R&M - Fire Risk Assessments & Cyclical Maintenance	Cr 21
Customer Relations Officer post	Cr 4
Strategic and Business Support Services restructure	Cr 3
Merit Award	27

Final Approved Budget for 2018/19

25,372

Memorandum Items

Insurance	Cr 60
IAS19 (FRS17)	839
Past service cost	Cr 65
Repairs & Maintenance	292
Capital Charges 5802	Cr 1,440
Deferred Charges (REFCUS) 5804	3,898
Impairment 5806	Cr 3,493
Gov Grants Deferred 5807	Cr 938
Rent Income	4
Excluded Recharges	126

24,535

REASONS FOR VARIATIONS

1. Building Control Cr £92k

Within the chargeable account for Building Control, there was an income deficit of £164k. This was partly offset by an underspend within salaries of £150k arising from reduced hours being worked and vacancies. Other minor underspends total £4k. In accordance with Building Account Regulations, the net deficit for 2018/19 of £10k has been carried forward into 2019/20 via the earmarked reserve for the Building Control Charging Account. The cumulative balance on this account is therefore now £192k, taking into consideration the opening balance of £202k at the start of 2018/19.

Within the non-chargeable service, as a result of delays in appointing to vacant posts, there was an underspend of £84k on staffing and an minor underspend of £8k on supplies and services.

2. Land Charges Cr £3k

There was an income deficit of £34k within the Charging Account. This was partly offset by underspends on staffing and running expenses of £18k. The net deficit of £16k has been carried forward into 2019/20 via the earmarked reserve for the Land Charges Account. The cumulative balance on this account is now a deficit of £26k, taking into consideration the opening balance of a £10k deficit at the start of 2018/19. To address this, officers have implemented a price increase for 2019/20.

There was an underspend of £3k on the Non-Chargeable budget mainly due to part year vacancies.

3. Planning Dr £120k

Income from non-major planning applications was £160k under budget for 2018/19. For information, actual income received in 2018/19 was £30k lower compared to 2017/18. As the housing target is set to increase under the new London plan, it is likely that the smaller developers were delaying submitting applications until the plan comes into effect in 2019/20.

For major applications, £560k was received in 2018/19, which was £260k above budget. Actual income was £204k more than that received for 2017/18.

Income from pre-applications was £27k below budget for 2018/19. This was due to a combination of reduced fees and a reduction in the number of schemes submitted. If the income continues to drop, officers will have to consider changing the pricing structure.

There was a net overspend of £194k for the cost of consultancy and legal 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 net variations total Dr £1k across the planning service.

Summary of variations within Planning:	£'000
Shortfall of income from non-major applications	160
Surplus of income from major applications	Cr 260
Deficit of income from pre-application meetings	27
Consultancy costs on major appeals	194
Other minor variations	Cr 1
Total variation for Planning	120

In 2017/18 the Council was awarded a sum of £144.4k from the Proceeds of Crime Act prosecution as part of the Asset Recovery Incentivisation Scheme, and £84.6k of this sum was allocated to the Planning Service. Both the income and expenditure budget was carried forward from 2017/18 in order to carry out works on asset recovery, crime reduction and community projects. The cost of the works undertaken during 2018/19 have been funded from underspends elsewhere in the Planning Division, enabling the funding to be carried forward for another year. A carry forward request for both the £84.6k income and expenditure budget will be submitted to the Executive.

4. Renewal Cr £199k

Part year vacancies have resulted in a £172k underspend on staffing. This has been used to offset extra costs of £39k on consultancy and legal fees for the public enquiries, following the submission of the London Plan, and £28k for Local Plan Implementations.

There was an underspend of £94k on the Town Centre Development Works funded by the New Homes Bonus. The GLA have agreed the re-profile of spend and therefore a request will be submitted to the Executive to carry forward the NHB unspent balance, in order to complete the specific projects.

£30k Custom Build grant was carried forward from 2017/18 due to late notifications from DCLG, as approved by Executive on 21 May 2018. In March 2019, notification was received from DCLG that the Council had been awarded an additional £30k Custom Build grant. The majority of the work funded from these grants will follow on from the Local Plan. Due to a lengthy public examination including legal challenges, the plan was eventually adopted much later than expected in January 2019, which resulted in the works being delayed. A request will be submitted to the Executive to carry forward these grants in order to carry out the works in the next financial year.

Summary of variations within Renewal:	£'000
Staff vacancies	Cr 172
Consultancy and legal fees for public enquiries	39
Additional cost for Local Plan implementation	28
Underspend on projects funded by NHB (carry forward request)	Cr 94
Total variation for Renewal	Cr 199

5. Culture Dr £15k

Overall Culture services have a net overspend of £15k. There was an underspend of £26k on staffing as a result of 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 resulted in an overspend of £18k, which has been offset by underspends elsewhere within the Recreation division.

Additional costs of £30k were incurred for surveys, valuation and legal works relating to the Leisure service lease proposal with Mytime Active. Other minor underspends total £7k.

Summary of variations within Culture:	£'000
Staff vacancies	Cr 26
Inflation on Mytime contract	18
Additional costs relating to Leisure service lease proposal	30
Other minor net underspends	Cr 7
Total variation for Culture	15

6. Libraries Cr £22k

The Library service has a net underspend of £22k. This includes a £44k underspend on staffing due to flexible retirement, which was partly offset by an overspend of £22k across premises and supplies and services budgets. This was mainly 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 £38k

There was an overall £38k underspend for Town Centre Management & Business Support.

The Penge and Orpington town centre schemes were underspend by £23k. Both of these projects are funded from the New Home Bonus, and the GLA have agreed the re-profile of spend. A request will be submitted to Executive for approval to carry this amount forward, in order to complete the specific projects.

In addition, the £22k underspend on staffing due to a vacancy was partly offset by an £7k overspend on supplies and services.

8. Housing Improvement Cr £15k

Part year vacancies have resulted in an underspend of £16k, and other minor variations total Dr £1k.

9. Supporting People Cr £74k

There is an underspend of £74k in the Supporting People budget as a result of contract negotiation savings.

10. Housing Needs Dr £51k

There is a final overspend of £163k in Temporary Accommodation budgets. 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 929 - an increase of 33 during the year. This is 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 35% in December to now just under 37%.

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 1,560 clients in Temporary Accommodation.

Offsetting the increased costs of Temporary Accommodation area is an underspend on homelessness prevention work of £156k.

The Travellers budget is overspent by £44k and this is due to one of the sites experiencing high use of utilities and maintenance costs (£27k) due to the site not having meters, and loss of income (£27k) due to particular residents rent arrears. This is being offset by a £10k underspend on staffing due to staff vacancies earlier in the year.

There has been a reduction of income relating to the Choice Based Letting advertising (£27k) due to Housing Associations not requesting to advertise properties on this platform, which has been offset by a reduction in the running costs of £48k. This has given a net underspend for the year of £21k.

The remaining £21k overspend is various staffing and running costs variations.

Summary of overall variations within Housing:	£'000
Temporary Accommodation	99
Increase in Bad Debt Provision	252
Homelessness Prevention	Cr 156
Travellers Sites	44
Furniture Storage	Cr 104
Choice Based Letting	Cr 21
Housing Benefit	147
New Housing System	49
Other Costs	3
Total variation for Housing	313

11. Housing Benefits Dr £335k

Following the end of year review of the Bad Debt Provision, it has been identified that the provisions needed to be increased by £188k more than the budget for the year to cover the increase in unrecoverable benefit. The remaining overspend mainly relates to the overpayment subsidy being lower than budgeted.

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.