

Renewal, Recreation & Housing Budget Monitoring Summary

2018/19 Actuals £'000	Division Service Areas	2019/20 Original Budget £'000	2019/20 Latest Approved £'000	2019/20 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	PLACE DEPARTMENT							
	Planning							
Cr 11	Building Control	88	88	60	Cr 28	1	Cr 83	0
Cr 127	Land Charges	Cr 125	Cr 125	Cr 125	0		0	0
1,577	Planning	1,707	1,659	1,611	Cr 48	2	Cr 12	0
1,439		1,670	1,622	1,546	Cr 76		Cr 95	0
	Recreation							
1,923	Culture	933	933	933	0		0	0
4,859	Libraries	4,921	4,940	4,940	0		0	0
132	Town Centre Management & Business Support	133	103	103	0		0	0
6,914		5,987	5,976	5,976	0		0	0
	Housing							
939	Supporting People	1,004	1,004	912	Cr 92	3	Cr 116	Cr 116
8,784	Housing Needs	9,059	8,827	9,055	228	4	22	143
0	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 1,149	Housing Benefits	Cr 1,913	Cr 1,913	Cr 1,913	0		0	0
188	Housing Improvement	209	212	212	0		0	0
8,762		8,358	8,129	8,265	136		Cr 94	27
17,115	TOTAL CONTROLLABLE	16,015	15,727	15,787	60		Cr 189	27
1,844	TOTAL NON CONTROLLABLE	Cr 274	Cr 274	Cr 266	8	5	8	0
5,655	TOTAL EXCLUDED RECHARGES	6,283	6,233	6,233	0		0	0
24,614	PORTFOLIO TOTAL	22,024	21,686	21,754	68		Cr 181	27

Reconciliation of Latest Approved Budget

£'000

Original budget 2019/20

22,024

Carry Forward Requests approved from 2018/19

Planning Strategy & Projects - Custom Build Grant - Income	Cr	60
Planning Strategy & Projects - Custom Build Grant - Expenditure		60
Asset Recovery Incentivisation Scheme - Income	Cr	85
Asset Recovery Incentivisation Scheme - Expenditure		85
New Homes Bonus		118
Fire Safety Grant - Expenditure		43
Fire Safety Grant - Income	Cr	43
Implementing Welfare Reform Changes - Expenditure		55
Implementing Welfare Reform Changes - Income	Cr	55
Flexible Homeless Grant - Expenditure		41
Flexible Homeless Grant - Income	Cr	41
Homelessness Reduction Act - Expenditure		89
Homelessness Reduction Act - Income	Cr	89

Central Contingency Adjustments

Savings - review of staffing	Cr	49
Housing Growth - variation to budget assumptions	Cr	331
Cross Portfolio movement relating to Review of Staffing	Cr	76

Latest Approved Budget for 2019/20

21,686

REASONS FOR VARIATIONS

1. Building Control Cr £28k

The chargeable service currently has a projected income deficit of £212k. This is offset by a projected underspend within salaries of £109k arising from reduced hours / vacancies. To address the income deficit, a price increase is expected to be implemented in November, as fees are currently deemed low compared to other authorities. In accordance with Building Account Regulations, the net deficit of around £103k will be drawn down from the earmarked reserve for the Building Control Charging Account. The net balance of earmarked reserve will therefore reduce from Cr £192k to Cr £89k.

Within the non-chargeable service there is a projected underspend of £28k relating to part year vacancies.

2. Planning Cr £48k

There is a projected £229k underspend on staffing due to part year vacancies. Posts are currently being recruited to.

Income from non-major planning applications is currently below budget and a shortfall of around £150k is projected. The London Plan is due to come into effect in early 2020 and new housing targets will increase. It is anticipated that developers are currently delaying applications in order to increase their chances for approval against the raised targets.

A balanced budget is projected for major applications at this stage of the year. Income is received irregularly during the year and it is therefore difficult to predict the outturn figure at this stage. This budget will be closely monitored over the next few months.

There is projected underachievement of income of £24k from pre-application meetings. Income has dropped compared to earlier months.

Current projections for cost awards on major appeals this Financial Year is approximately £57k. This is offset by previous cost awards which were settled below estimations, resulting in a projected nil variance for the year.

There is an anticipated additional £7k cost relating to spend on legal fees for the Local Plan appeal.

Summary of variations within Planning:

	£'000
Underspend on Staffing	Cr 229
Shortfall income from non-major applications	150
Surplus on pre-application planning income	24
Cost on major appeal	0
Consultancy costs on Local and London plan	7
Total variation for Planning	Cr 48

3. Supporting People Cr £92k

A £92k underspend is currently forecast in the Supporting People area. A number of the contracts were renegotiated and extended recently with a start date in this financial year. This has resulted in the higher underspend than in the previous year. The extensions were only for a few years and the contracts will be starting their re-tendering process during this year.

4. Housing Needs Dr £228k

There is currently a projected overspend of £103k in Temporary Accommodation budgets. This is mostly due to a forecasted under collection of income compared to the budget, mainly as a result of under-occupation at the ex-residential care homes, Bellegrove and Manorfields.

At the start of the year the number of households in Nightly Paid Accommodation was 907. By the end of September that number had risen to 923 - an increase of 16 during the year. It is currently expected that this will increase to 953 by the end of the financial year (based on a net increase of 5 per month), at an average cost of around £6,500 per property per annum. In addition, the proportion of 2 bed Temporary Accommodation properties that are required has been increasing, from just under 37.5% in May to now just over 39.5%.

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

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 Travellers budget is overspending by £54k and this is due to one of the sites experiencing high use of utilities and maintenance costs (overspend of £32k) due to the site not having meters and loss of income (£22k) due to rent arrears.

The support needed to introduce the new Housing Information System in this financial year is causing a £32k pressure on the budget.

There has been a reduction of income relating to the Choice Based Letting advertising (£26k) due to reduced demand from Housing Associations.

The remaining £13k net overspend relates to minor variations in staffing, recruitment and running costs.

Summary of variations within Housing Needs:	£'000
Temporary Accommodation	103
Travellers Sites	54
Housing Information System	32
Choice Based Letting	26
Other Variations	13
Total variation for Housing Needs	<u>228</u>

5. Non-controllable Dr £8k

There is a projected £8k shortfall of income within the property rental income budget. Property division are accountable for these variations.

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 the following waiver has been actioned:

- 1) £308k for a 3 year contract for the Document Management System and Uniform management software with Idox, via the Data and Applications Solutions framework.

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.