

## Renewal, Recreation &amp; 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
	<b>PLACE DEPARTMENT</b>							
	<b>Planning</b>							
Cr 11	Building Control	88	88	46	Cr 42	1	Cr 28	0
Cr 127	Land Charges	Cr 125	Cr 125	Cr 125	0		0	0
1,577	Planning	1,707	1,653	1,591	Cr 62	2	Cr 48	0
<b>1,439</b>		<b>1,670</b>	<b>1,616</b>	<b>1,512</b>	<b>Cr 104</b>		<b>Cr 76</b>	<b>0</b>
	<b>Recreation</b>							
1,923	Culture	933	939	939	0		0	0
4,859	Libraries	4,921	4,940	4,940	0		0	0
132	Town Centre Management & Business Support	133	102	109	7	3	0	0
<b>6,914</b>		<b>5,987</b>	<b>5,981</b>	<b>5,988</b>	<b>7</b>		<b>0</b>	<b>0</b>
	<b>Housing</b>							
939	Supporting People	1,004	1,004	897	Cr 107	4	Cr 92	Cr 116
8,784	Housing Needs	9,059	8,827	8,849	22	5	228	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
<b>8,762</b>		<b>8,358</b>	<b>8,129</b>	<b>8,044</b>	<b>Cr 85</b>		<b>136</b>	<b>27</b>
<b>17,115</b>	<b>TOTAL CONTROLLABLE</b>	<b>16,015</b>	<b>15,726</b>	<b>15,544</b>	<b>Cr 182</b>		<b>60</b>	<b>27</b>
1,844	<b>TOTAL NON CONTROLLABLE</b>	Cr 274	Cr 274	Cr 275	Cr 1	6	8	0
5,655	<b>TOTAL EXCLUDED RECHARGES</b>	6,283	6,233	6,233	0		0	0
<b>24,614</b>	<b>PORTFOLIO TOTAL</b>	<b>22,024</b>	<b>21,685</b>	<b>21,502</b>	<b>Cr 183</b>		<b>68</b>	<b>27</b>

## 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	77

## Latest Approved Budget for 2019/20

21,685

## **REASONS FOR VARIATIONS**

### **1. Building Control Cr £42k**

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 planned to be implemented, 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 £42k relating to part year vacancies.

### **2. Planning Cr £62k**

There is a projected £252k underspend on staffing due to part year vacancies. Posts have been recruited to over the past few months and recruitment is still progressing for the remaining vacant posts. A temporary ICT officer will also be recruited to oversee the implementation of the new IT projects within planning. This post will be appointed to in 2020/21 at a cost of £65k and, subject to the overall Portfolio financial position, a carry forward will be requested from the 2019/20 underspends in order to fund this requirement.

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. Major applications are expected to be on target, however income is received irregularly and it is therefore difficult to predict the outturn figure.

There is projected underachievement of income of £7k from pre-application meetings. Income has improved from earlier months but still results in a small shortfall.

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. Consultancy costs relating to the London Plan are forecast to underspend by £20k with the bulk of the costs anticipated to be incurred in 2020/21.

IT project costs of £41k are forecast in order to enable mobile work through the IDOX system. This also includes the purchase of iPads to be used off site. Implementation of Plan X, a self-service digital planning guide, will commence in March 2020 with approximately £10k of costs being funded in 2019/20. A carry forward request of £30k will be required in order to fully fund the project, subject to the Portfolio's overall financial position.

#### **Summary of variations within Planning:**

	<b>£'000</b>
Underspend on Staffing	Cr 252
Shortfall income from non-major applications	150
Surplus on pre-application planning income	7
IT project costs	51
Cost on major appeal	0
Consultancy costs on Local and London plan	Cr 13
Other small variations	Cr 5
<b>Total variation for Planning</b>	<b>Cr 62</b>

### **3. Town Centre Management & Business Support Dr £7k**

A £7k overspend is forecast based on the Local Data annual subscription exceeding budget.

### **4. Overall the Operational Housing Services is forecast to underspend of Cr 85k, as detailed below**

#### **5. Supporting People Cr £107k**

A £107k 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.

#### **6. Housing Needs Dr £22k**

There is currently a projected over spend £119k on Temporary Accommodation budgets. This is mostly due to a forecasted under collection of income compared to the budget, mainly as a result of the household size requiring accommodation and use of interconnecting rooms for single households reducing the number of individual tenancies and thus gross rent that can be collected at the ex-residential care homes, Bellegrave and Manorfields.

At the start of the year the number of households in Nightly Paid Accommodation was 907, at an average cost of around £6,500 per property per annum. As at the end of February, this had only increased to 909, however this is mainly a result of the increase of 81 in More Homes Bromley properties rather than a stabilisation of homeless households.

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, compared to 1,552 at the start of the year.

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 forecast underspend of Cr £167k on staff salaries budget mainly due to staff vacancies, and forecast underspend of cr £99k on other running expense budgets, including forecast underspend of cr £80k on furniture storage budget.

The Travellers budget is overspending by £99k and this is due to one of the sites experiencing high use of utilities and maintenance costs (overspend of £77k) 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 a reduced number of properties becoming available for letting from Housing Associations.

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

<b>Summary of variations within Housing Needs:</b>	<b>£'000</b>
Temporary Accommodation	119
Staffing cost	Cr 167
Other running cost	Cr 99
Travellers Sites	99
Housing Information System	46
Choice Based Letting	26
Other Variations	Cr 2
<b>Total variation for Housing Needs</b>	<b><u>22</u></b>

#### **7. Non-controllable Cr £1k**

There is a projected £1k overachievement 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.