

Renewal, Recreation & Housing Budget Monitoring Summary

2020/21 Actuals £'000	Division Service Areas	2021/22 Original Budget £'000	2021/22 Latest Approved £'000	2021/22 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT							
	Planning							
32	Building Control	82	82	152	70	1	0	0
Cr 130	Land Charges	Cr 128	Cr 128	Cr 228	Cr 100	2	0	0
1,505	Planning	1,719	1,897	1,767	Cr 130	3	0	0
1,407		1,673	1,851	1,691	Cr 160		0	0
	Recreation							
897	Culture	827	827	827	0	4	0	0
4,729	Libraries	4,672	4,672	4,672	0	5	0	0
87	Town Centre Management & Business Support	79	79	119	40	6	0	0
5,713		5,578	5,578	5,618	40		0	0
	Operational Housing							
683	Supporting People	1,029	1,029	898	Cr 131	7	0	0
8,358	Housing Needs	8,807	8,807	9,599	792	8	0	295
0	Enabling Activities	0	0	0	0		0	0
Cr 1,863	Housing Benefits	Cr 1,961	Cr 1,961	Cr 1,961	0		0	0
214	Housing Improvement	Cr 21	Cr 21	Cr 21	0		0	0
0	COVID grants	0	0	Cr 500	Cr 500		0	0
7,392		7,854	7,854	8,015	161		0	295
14,512	Total Controllable	15,105	15,283	15,324	41		0	295
1,362	TOTAL NON CONTROLLABLE	Cr 865	Cr 826	Cr 636	190	9	0	0
5,724	TOTAL EXCLUDED RECHARGES	5,464	5,464	5,464	0		0	0
21,598	TOTAL RR & H PORTFOLIO TOTAL	19,704	19,921	20,152	231		0	295

Reconciliation of Latest Approved Budget

£'000

Original budget 2021/22

19,704

Items Requested this Cycle:

Carry Forward Requests

Next Steps Accommodation Programme		239
Next Steps Accommodation Programme	Cr	239
Rough Sleepers Initiative Grant		70
Rough Sleepers Initiative Grant	Cr	70
Homelessness Reduction Grant		89
Homelessness Reduction Grant	Cr	89
Project X Implementation		105
Asset Recovery Incentivisation Scheme Expenditure		85
Asset Recovery Incentivisation Scheme Income	Cr	85
Historic Engalnd Hydro works Grant Expenditure		37
Historic Engalnd Hydro works Grant Income	Cr	37
Custom Build Grant Expenditure		75
Custom Build Grant Income	Cr	75

REASONS FOR VARIATIONS

1. Building Control Dr £70k

There is a decrease in the number of applications and therefore a reduction in income in this area. This is partially due to the continued impact that COVID-19 restrictions are having on activity but also due to application numbers declining as residents choose to buy these services from Independent Approved Inspectors. Deposits of plans and First Inspections are the income streams that are affected most and a total shortfall of income of £120k is currently projected within Building Control. The service is currently holding some vacant posts with staffing forecast at £50k under budget. In accordance with Building Account Regulations and as in previous years, it is envisaged that the net deficit of £70k will need to be drawn down from the earmarked reserve for the Building Control Charging Account, which would leave a deficit balance of £22k to be recovered in future years.

2. Local Land Charges Cr £100k

There has been a recent increase in the number of searches and therefore an overachievement of income of £100k is forecast in this area. At this early stage the service cannot confirm if the current high number of searches will continue but are optimistic that an increased level of applications will continue longer term. In accordance with regulations and as in previous years, the net credit of £100k will be transferred to the Land Charges reserve, increasing the credit balance to £144k to be adjusted in future years.

3. Planning Cr £130k

There is a marked increase in the number of planning applications and therefore an overachievement of income of £130k in this area is currently forecast. During recent months the level of income has recovered well and the service are confident that high levels of applications will be maintained, but this income stream will be monitored carefully as more data becomes available during the financial year.

4. Culture

At its meeting on 2nd March, the Executive agreed to provide conditional financial support to MyTime, the operator of the Council's leisure sites. This was in recognition of the severe impact that the pandemic has had on its business and the level of support is aimed at providing essential short-term relief to enable MyTime's Bromley sites to remain operating in the longer term for the benefit of the Borough's residents.

So far, no payments have been made as MyTime have been in receipt of additional grant support and income from resumed trading has exceeded expectations. Therefore, at this stage, no variation is reported; however, the latest position will be reviewed by the Executive in July, including consideration of any further conditional support that may be offered for the remainder of the financial year. This situation continues to be subject to detailed scrutiny and monitoring and any updates will be reflected in future rounds of monitoring.

In addition to any direct financial support, the Executive also agreed in March to waive rental payments that are due on its leisure sites, again initially for the first three months and subject to ongoing review thereafter. This is included within the controllable budget for the Resources, Commissioning & Contract Management Portfolio.

5. Libraries

No overall variation is currently projected against the Libraries budgets. However, there is a risk that if the Libraries are subsequently used as surge testing sites, LBB will need to pay GLL approximately £32k for set up and running costs.

6. Town Centre Management & Business Support Dr £40k

Town Centre Management is forecast to overspend this financial year by £40k due to the additional staffing costs of supporting and administration of the continuing COVID discretionary business grant schemes in 2021/22.

7. Supporting People Cr £131k

The Supporting People budget is currently forecast to underspend by £131k on the SLA contracts. Gateway reviews are planned for a number of these contracts during 2021-22 which may result in increased costs as the current prices have been fixed for a number of years, as well as potential increases in provision.

8. Housing Needs Dr £592k

Temporary accommodation is currently projected to overspend by £1,047k. The projection is based on the number of current clients as at the end of May 2021 and an assumed increase of 20 clients each month for the next 10 months. This assumption reflects an expectation of higher numbers of evictions this year. An early provision of £200k for non-recovery of rent arrears has also been assumed at this point.

At the start of 2021-22 the number of clients in Nightly Paid Accommodation was 1,181. It is currently expected that numbers will increase to around 1,382 by the end of the financial year, at an average cost of around £6,300 per property per annum.

These numbers exclude other schemes like More Homes Bromley, Orchard & Shipman, ex-residential care homes, and the Bromley Private Sector Leasing Scheme. Once these have been included there are currently in excess of 1,800 households placed in temporary accommodation to whom the Council has a statutory rehousing duty under the homelessness legislation.

Transformation savings totalling £491k have been identified for 2021-22 with the following schemes planned to be completed to provide a longer term alternative to expensive nightly paid accommodation: Burnt Ash Lane, Bushell Way & Anerley Town Hall car park schemes (60 units total) - saving £179k; Beehive Phase 2 (26 units) - £123k; Orchard & Shipman Joint Venture (c280 units acquired over 12-24 months) - £189k. The Full Year Effect of these savings is estimated at around £2.3m.

The Travellers Site service is expected to overspend on the utilities budget by £36k.

Summary of overall variations within Housing Needs:	£'000
Temporary Accommodation - current numbers and assumed in-year increases	1,047
Temporary Accommodation - bad debt provision	200
Temporary Accommodation - transformation savings	Cr 491
Travellers Sites	36
Total variation for Housing Needs	<u>792</u>

9. Non Controllable Dr £190k

Rental Income remains under pressure in all portfolios following the impact of COVID and the ability for tenants in all sectors to pay rents. For Q1 there is a rental shortfall of £190k but as the year progresses it is anticipated that further shortfalls will arise.

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.