
Decision Maker: **PORTFOLIO HOLDER FOR RENEWAL, RECREATION AND HOUSING**

For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on:

Date: **8th September 2021**

Decision Type: Non-Urgent Executive Non-Key

Title: **BUDGET MONITORING 2021/22**

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Chief Officer: Director of Housing, Planning and Regeneration

Ward: (All Wards);

1. Reason for report

This report provides the first revenue budget monitoring position for 2021/22 for the Renewal, Recreation and Housing Portfolio based on expenditure and activity levels for the first quarter of the financial year.

2. **RECOMMENDATION(S)**

The Renewal, Recreation and Housing Portfolio Holder is requested to:

- 2.1 Endorse the 2021/22 revenue budget monitoring for the Renewal, Recreation and Housing Portfolio.
- 2.2 Confirm agreement to the drawdown from Central Contingency of the carry forward budgets set out in Appendix 1A.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None directly from this report.
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Corporate Policy

1. Policy Status: Sound financial management
 2. BBB Priority: Excellent Council Quality Environment
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: RR&H Portfolio Budgets
 4. Total current budget for this head: £19.9m
 5. Source of funding: Existing revenue budgets 2021/22
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Personnel

1. Number of staff (current and additional): 194.7 fte
 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: N/A
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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 This report sets out the results of the first quarterly revenue budget monitoring exercise for the 2021/22 financial year for the Renewal, Recreation and Housing Portfolio. Due to the timetabling of this year's Committee meetings, this has already been considered by the Executive at its meeting on 15th July. It should also be noted that monitoring this year now takes into account any ongoing impact of Covid-19 on the Portfolio's budgets, and anticipated application of available Covid-19 grant funding where relevant. To date, a sum of £500k has been provisionally allocated towards the additional costs of temporary accommodation.
- 3.2 The position for the first quarter was a projected overall overspend of £41k on the Portfolio's controllable budgets on based on financial information available at that time. There is also a further overspend of £190k on budgets controlled by other Portfolios.
- 3.3 The projected outturn is detailed in Appendix 1A, which shows the forecast spend for each division within the Portfolio compared to the latest approved budget. The main variations are summarised in the table below:

	£'000
Temporary accommodation	756
Building Control income	120
Supporting People	Cr 131
Planning applications income	Cr 130
Local land charges income	Cr 100
Other variations	26
Sub total	541
Application of Covid-19 grant funding	Cr 500
Total Variation – Controllable Budgets	41

- 3.4 Appendix 1B provides further detail and commentary on each of the projected variations within each service.
- 3.5 The following table provides a summary of the variations across the Portfolio's controllable budgets by type of spend:

	Budget £'000	Projection £'000	Variation £'000	%
Staffing	9,224	9,214	Cr 10	-0.1%
Running expenses	2,157	2,193	36	1.7%
Contracts	6,814	6,683	Cr 131	-1.9%
Temporary accommodation - costs	18,187	18,581	394	2.2%
Housing Benefits - payments	80,826	80,826	0	0.0%
Temporary accommodation - income	Cr 11,367	Cr 11,505	Cr 138	1.2%
Housing Benefits - subsidy	Cr 82,121	Cr 82,121	0	0.0%
Other income	Cr 8,588	Cr 8,698	Cr 110	1.3%
Consultants	151	151	0	0.0%
	15,283	15,324	41	0.3%

4. CARRY FORWARDS FROM 2020/21

- 4.1 At its meeting on 30th June, the Executive considered and approved a number of carry forward requests from 2020/21. Appendix 1A includes a breakdown of all of the carry forward requests for the Renewal, Recreation and Housing Portfolio.
- 4.2 Subsequently on 15th July, Executive agreed that Portfolio Holders were able to draw down carry forwards forthwith to avoid any delay in being able to utilise this funding straightaway. The budget has therefore been adjusted accordingly and the report requests confirmation to the release of these budgets from Central Contingency.

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 “2021/22 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised 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 A detailed breakdown of the projected outturn by service area is shown in Appendix 1A with explanatory notes in Appendix 1B.
- 6.2 Overall, an overspending of £41k on the Portfolio's controllable budgets is projected to the year-end based on the information available for the first quarter of the year. This is inclusive of Covid-19 grant funding of £500k towards the additional costs of temporary accommodation.

7. COMMENTS FROM THE DIRECTOR OF HOUSING, PLANNING, PROPERTY & REGENERATION

- 7.1 £1,403k of growth was included in the housing budget for 2021/22 to reflect the continuing pressures in relation to homelessness and the provision of temporary accommodation. A total of £886k savings have also been included to mitigate these pressures.
- 7.2 Whilst approaches remain high, the ongoing supply of acquired properties and prevention work has continued to slow the rate of growth in nightly paid accommodation placements. However, there is likely to be increased pressures as the moratorium on evictions during the pandemic is lifted and the model has been adjusted to reflect the increasing placements averaging 20 per month. This position does rely on the supply of acquired properties continuing to come through. This results in a projected £556k overspend on temporary accommodation (net of projected savings), with a £461k overspend on housing overall. As has been reported work is ongoing to increase the supply of affordable housing to continue to mitigate and reduce the current pressures relating to temporary accommodation.

- 7.3 A substantial part of Planning Services' work attracts a fee income for the Council, for example the planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough. There is a risk of income variation beyond the Council's immediate control; however, trends are regularly monitored in order that appropriate action can be taken. Action has successfully been taken to negate the risk of Government Designation for Special Measures due to Planning performance for the current year. However, this is based on the actions identified being implemented to reduce the risk of Government Designation in future years.
- 7.4 There is a risk of substantial planning appeal costs being awarded against the Council by the Planning Inspectorate if the Council is found to have acted unreasonably. For major appeals, which can arise unpredictably, there is often a need for specialist external consultant's advice which creates additional costs.
- 7.5 The key risks in the Renewal, Recreation and Housing Portfolio continue to be:
- i) Increased homelessness and the associated costs particularly relating to the increased demand for placements across London.
 - ii) Increased rent arrears arising from roll out of Welfare reform and impact of COVID
 - iii) Reduced vacant housing association properties coming forward for letting
 - iv) Increased maintenance and repairs costs in relation to the travellers site required to maintain health and safety standards
 - v) Increase in planning applications and need to ensure application processing is sufficiently resourced
 - vi) Increases being seen in construction and maintenance costs

Non-Applicable Sections:	Legal, Personnel & Procurement Implications
Background Documents: (Access via Contact Officer)	2021/22 budget monitoring files within the Finance Department