

## Renewal, Recreation &amp; Housing Budget Monitoring Summary

2020/21 Actuals £'000	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
32 Cr 130 1,505	<b>Planning</b> Building Control Land Charges Planning	82 Cr 128 1,719	82 Cr 128 1,824	227 Cr 188 1,771	145 Cr 60 Cr 53	1 2 3	70 Cr 100 Cr 130	0 0 0
<b>1,407</b>		<b>1,673</b>	<b>1,778</b>	<b>1,810</b>	<b>32</b>		<b>Cr 160</b>	<b>0</b>
897 4,729 87	<b>Culture &amp; Regeneration</b> Culture Libraries Town Centre Management & Business Support	827 4,672 79	927 4,684 79	1,055 4,678 69	128 Cr 6 Cr 10	4 5 6	0 0 40	0 0 0
<b>5,713</b>		<b>5,578</b>	<b>5,690</b>	<b>5,802</b>	<b>112</b>		<b>40</b>	<b>0</b>
683 8,358 0 Cr 1,863 214 0	<b>Operational Housing</b> Supporting People Housing Needs Enabling Activities Housing Benefits Housing Improvement COVID grants	1,029 8,807 0 Cr 1,961 Cr 21 0	1,029 8,807 0 Cr 1,961 Cr 21 0	899 9,942 0 Cr 1,961 Cr 56 Cr 500	Cr 130 1,135 0 0 Cr 35 Cr 500	7 8	Cr 131 792 0 0 0 Cr 500	0 38 0 0 0 0
<b>7,392</b>		<b>7,854</b>	<b>7,854</b>	<b>8,324</b>	<b>470</b>		<b>161</b>	<b>Cr 38</b>
<b>14,512</b>	<b>Total Controllable</b>	<b>15,105</b>	<b>15,322</b>	<b>15,936</b>	<b>614</b>		<b>41</b>	<b>Cr 38</b>
1,362	<b>TOTAL NON CONTROLLABLE</b>	Cr 865	Cr 826	Cr 447	379	10	190	0
5,724	<b>TOTAL EXCLUDED RECHARGES</b>	5,464	5,464	5,464	0		0	0
<b>21,598</b>	<b>PORTFOLIO TOTAL</b>	<b>19,704</b>	<b>19,960</b>	<b>20,953</b>	<b>993</b>		<b>231</b>	<b>Cr 38</b>

Reconciliation of Latest Approved Budget £'000

Original budget 2021/22 19,704

**Items Approved:****Carry Forward Requests**

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

## **REASONS FOR VARIATIONS**

### **1. Building Control Dr £145k**

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 as a result of residents choosing to buy these services from Independent Approved Inspectors. Deposits of plans and First Inspections are the income streams that are affected most. A £205k shortfall of income is currently projected within Building Control. The service is currently holding some vacant posts and staffing is forecast at £60k under budget. In accordance with Building Account Regulations and as in previous years, it is envisaged that the net deficit of £145k will need to be drawn down from the earmarked reserve for the Building Control Charging Account, which would leave a deficit balance of £97k to be recovered in future years. A review of charges is currently being undertaken.

### **2. Local Land Charges Cr £60k**

There is a recent increase in the number of searches and therefore an overachievement of income of £60k is forecast in this area. At this 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. Staffing is forecast to underspend by £10k this financial year. In accordance with regulations and as in previous years, the net credit of £60k will be transferred to the Land Charges reserve, increasing the credit balance to £105k to be adjusted in future years.

### **3. Planning Cr £53k**

Subsequent to the initial marked increase in the number of planning applications at the beginning of the financial year the numbers have now levelled out and this income stream is currently forecast to be on budget. This income stream will be monitored carefully as more data becomes available during the financial year. Planning pre-apps are currently forecast to exceed the income target by £30k. The £33k budget for local plan implementation will not be spent this financial year as there are no plans to undertake this work currently. Appeals awarded this financial year will result in a further £10k overspend.

### **4. Culture Dr £128k**

Staffing is projected to overspend by £105k this financial year. This is due to staff undertaking COVID-19 support tasks instead of their usual capital project work meaning these staffing costs cannot be funded through the capital programme. There are £20k of costs associated with the installation of ventilation systems at the learning shops to comply with COVID-19 recommendations. Other variations will result in a small £3k overspend.

The Executive agreed in March to provide conditional financial support to MyTiime, the operator of the Council's leisure sites, in recognition of the impact of Covid-19 on the leisure sector. So far, no payments have been necessary as MyTime's trading performance since reopening has exceeded expectations. Therefore at this stage, no variation is reported; however, the latest position will be reviewed by the Executive in November, 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 to waive rental payments that are due on its leisure sites, subject to ongoing review. A waiver of six months has so far been agreed. The controllable budget for this is within the Resources, Commissioning & Contract Management Portfolio.

### **5. Libraries Cr £6k**

There is a small underspend of £6k projected across the library services relating to staffing and rents.

### **6. Town Centre Management & Business Support Cr £10k**

Staffing is forecast to underspend this financial year by £19k due to a vacant post. Business support grant distribution costs are forecast to be in the region of £57k and £48k of New Burdens Grant has been awarded to partly offset these costs. Distribution costs and grant awarded may increase and this will be monitored closely during the remainder of the financial year.

### **7. Supporting People Cr £130k**

The Supporting People budget is currently forecast to underspend by £130k 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 £1,135k**

Temporary accommodation is currently projected to overspend by £964k. The projection is based on the number of current clients as at the end of September 2021 and an assumed increase of 15 clients each month for the next 6 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 and currently stands at 1,191. 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 had 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. Since the May budget monitoring, there has been progress with the Beehive Phase 2 programme and the in-year savings have been achieved and are now reflected in the Nightly Paid Accommodation forecast. The other schemes, however, have been delayed and a revised expected saving is now shown below.

The Travellers Site service is expected to overspend on the utilities budget by £24k and an underachievement of the Site Fee Income budget of £42k due to some plots remaining void for the remainder of 2021-22.

In-year total salary underspends of £7k have been identified as areas of the service face challenges in recruiting appropriate staff. The turnover savings target has been achieved and additional underspends are now forecast.

<b>Summary of overall variations within Housing Needs:</b>	<b>£'000</b>
Temporary Accommodation - current numbers and assumed in-year increases	964
Temporary Accommodation - bad debt provision	200
Temporary Accommodation - transformation savings	Cr 148
Travellers Sites	66
Salaries	Cr 7
Property Related costs	60
<b>Total variation for Housing Needs</b>	<b>1,135</b>

**9. Housing Improvement Cr £35k**

There are in-year underspends on salaries in the Housing Improvement service, with the expectation that the vacant posts will be not filled until March 2022.

**10. Non Controllable Dr £380k**

Rental income remains uncertain in all portfolios following the impact of COVID and the ability for tenants in all sectors to pay rents. As the year progresses it is anticipated that further shortfalls will arise. Rental waivers of c£380k to September 2021 have already been agreed with one tenant.

**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.