

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	321	239	1	145	0
Cr 130	Land Charges	Cr 128	Cr 128	Cr 157	Cr 29	2	Cr 60	0
1,505	Planning	1,719	1,824	1,839	15	3	Cr 53	0
0	COVID grant to support impact of COVID on services	0	0	Cr 145	Cr 145			0
1,407		1,673	1,778	1,858	80		32	0
	Culture & Recreation							
897	Culture	827	927	932	5	4	128	0
4,729	Libraries	4,672	4,685	4,678	Cr 7	5	Cr 6	0
87	Town Centre Management & Business Support	79	79	58	Cr 21	6	Cr 10	0
5,713		5,578	5,691	5,668	Cr 23		112	0
	HOUSING DEPARTMENT							
	Operational Housing							
683	Supporting People	1,029	1,029	899	Cr 130	7	Cr 130	0
8,358	Housing Needs	8,807	8,036	9,041	1,005	8	1,135	Cr 509
0	Enabling Activities	0	0	0	0		0	0
Cr 1,863	Housing Benefits	Cr 1,961	Cr 1,211	Cr 1,211	0		0	0
214	Housing Improvement	Cr 21	Cr 21	Cr 51	Cr 30	9	Cr 35	0
0	COVID grant to support impact of COVID on services	0	0	Cr 800	Cr 800		Cr 500	0
7,392		7,854	7,833	7,878	45		470	Cr 509
14,512	Total Controllable	15,105	15,302	15,404	102		614	Cr 509
1,362	TOTAL NON CONTROLLABLE	Cr 865	Cr 826	Cr 815	11	10	380	0
5,724	TOTAL EXCLUDED RECHARGES	5,464	5,464	5,464	0		0	0
21,598	TOTAL RR & H PORTFOLIO TOTAL	19,704	19,940	20,053	113		994	Cr 509

Reconciliation of Latest Approved Budget

£'000

Original budget 2021/22

19,704

Items Approved:

Carry Forward Requests

Next Steps Accommodation Programme expenditure		239
Next Steps Accommodation Programme income	Cr	239
Rough Sleepers Initiative Grant expenditure		70
Rough Sleepers Initiative Grant income	Cr	70
Homelessness Reduction Grant expenditure		89
Homelessness Reduction Grant income	Cr	89
Project X Implementation		105
Asset Recovery Incentivisation Scheme expenditure		85
Asset Recovery Incentivisation Scheme income	Cr	85
Historic England Hydro works Grant expenditure		37
Historic England Hydro works Grant income	Cr	37
Custom Build Grant expenditure		75
Custom Build Grant income	Cr	75
New Homes Bonus - Regeneration		73
Discretionary Business Grants expenditure		7,388
Discretionary Business Grants income	Cr	7,388

Central Contingency Adjustments

Rough Sleepers Initiative Grant expenditure		315
Rough Sleepers Initiative Grant income	Cr	315
Accommodation for Ex-Offenders expenditure		113
Accommodation for Ex-Offenders income	Cr	113
Protect Plus Grant expenditure		5
Protect Plus Grant income	Cr	5
Cold Weather Fund Grant expenditure		46
Cold Weather Fund Grant income	Cr	46
Protect and Vaccinate Funding expenditure		35
Protect and Vaccinate Funding income	Cr	35

	Domestic Abuse Act: Homelessness new burdens expenditure		13
	Domestic Abuse Act: Homelessness new burdens income	Cr	13
	Homelessness Prevention expenditure		424
	Homelessness Prevention income	Cr	424
	Support for Vulnerable Renters income	Cr	771
	COVID grant to support impact of COVID on services expenditure		425
	COVID grant to support impact of COVID on services income	Cr	425
	COVID Income Compensation expenditure		20
	COVID Income Compensation income	Cr	20
	UC roll out - Claimant Fault Overpayment Recoveries		750
Other	R&M Planned Maintenance adjustment		
	Culture and Regeneration		100
	Operational Housing	Cr	61
	Household Support Fund expenditure		1,868
	Household Support Fund grant income	Cr	1,868
	Resources for Crystal Palace Park Transfer to the Trust		40
	Latest Approved Budget for 2021/22		<u>19,940</u>

REASONS FOR VARIATIONS

1. Building Control Dr £239k

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, Building Control Notices and First Inspections are the income streams that are affected most. A £285k shortfall of income is currently projected within Building Control. The service is currently holding some vacant posts resulting in an underspend of £75k on staffing, with other running costs forecast to be £29k over budget.

Covid grants of £145k have now been allocated to partially offset this impact this financial year.

In accordance with Building Account Regulations and as in previous years, the resultant net deficit of £94k will need to be drawn down from the earmarked reserve for the Building Control Charging Account, which would leave a deficit balance of £46k to be recovered in future years. A review of charges is currently being undertaken.

2. Local Land Charges Cr £29k

In the first part of the financial year there was a significant increase in the number of searches resulting in a projected overachievement of income of £50k at Q2. However the income is now only forecast to overachieve by £9k as the number of searches has started to decrease in recent months. Staffing is forecast to underspend by £20k this financial year. In accordance with regulations and as in previous years, the net credit of £29k will be transferred to the Land Charges reserve, increasing the credit balance to £74k to be adjusted in future years.

3. Planning Dr £15k

Staffing is projected to overspend by £34k due to additional hours being worked and salary vacancy factor not being achieved in all planning teams. 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. Planning pre-apps are currently forecast to exceed the income target by £46k. However the admin income element of the mayoral CIL, retained by LBB, is forecasting a shortfall of £33k based on current activity levels. 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 £11k overspend. Other minor variations in supplies and services result in a £16k overspend.

4. Culture Dr £5k

Staffing is projected to overspend by £52k 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. Actual staffing costs diverted from capital are £82k, however there are underspends relating to revenue funded posts as a result of vacancies which partly absorb these salary overspends. The resulting overspend will be offset by part of the New Burdens grant held within Business Support. Film Fixer income is anticipated to overachieve the income target by £57k. This is mainly due to a high demand to use Bromley locations in recent months. There are £6k 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 £4k overspend.

The Executive agreed in March 2021 to provide conditional financial support to MyTime, 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 so far this year since reopening has exceeded expectations. However, the situation continues to be subject to detailed scrutiny and monitoring although no variation is reported at this stage.

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 to December 2021 has so far been agreed. The controllable budget for this is within the Resources, Commissioning & Contract Management Portfolio.

5. Libraries Cr £7k

There is a small underspend of £7k projected across the library services relating to staffing and rents.

6. Town Centre Management & Business Support Cr £21k

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 £33k and New Burdens Grant has been awarded to offset these costs. A further amount of £52k of this grant will also offset the salary costs of those posts in Culture diverted from capital project work. Due to the Borough's economic data being out of date, an evidence study is currently being tendered and the cost of this will be in the region of £52k this 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 £1,005k

Temporary accommodation is currently projected to overspend by £1,000k. The projection is based on the number of current households as at the end of December 2021 and an assumed increase of 15 households each month for the remainder of the financial year (including the potential intake under the Severe Weather Emergency Protocol). This assumption reflects an expectation of higher numbers of evictions this year. A provision of £200k for non-recovery of rent arrears has also been assumed in this forecast.

At the start of 2021-22 the number of households in Nightly Paid Accommodation was 1,181 and currently stands at 1,161. It is currently expected that numbers will increase to around 1,205 by the end of the financial year, at an average cost of around £6,080 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 September 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 £34k and an underachievement of the Site Fee Income budget of £56k due to some plots remaining void for the remainder of 2021-22. Emergency repair work to the water supply has been required at the Star Lane Site adding an additional cost of £93k to the Repairs and Maintenance budget.

More Homes Bromley. Additional costs have been incurred including the level of tops being payable in year. This has led to an overspend of £174k.

In-year total salary underspends of £8k 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.

Additional property related costs, including Ground Maintenance costs, have been incurred during the year at the Multi Unit Facilities and at some Beehive properties. This is forecasting an overspend of £80k.

Summary of overall variations within Housing Needs:	£'000
Temporary Accommodation - current numbers and assumed in-year increases	426
Temporary Accommodation - bad debt provision	200
Temporary Accommodation - transformation savings	Cr 50
Travellers Sites	183
Salaries	Cr 8
More Homes Bromley	174
Property Related costs	80
Total variation for Housing Needs	<u>1,005</u>

9. Housing Improvement Cr £30k

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 £11k

Rental Income remains under pressure 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£146k have already been agreed with one tenant although this is largely offset by an allocation of Covid grant funding.

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.