

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: **4 October 2022**

Decision Type: Non-Urgent Executive Non-Key

Title: **BUDGET MONITORING 2022/23**

Contact Officers: James Mullender, Head of Finance (Adults, Health & Housing)
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Chief Officer: Director of Housing, Planning and Regeneration

Ward: All Wards

1. Reason for report

1.1 This report provides the first revenue budget monitoring position for 2022/23 for the Renewal, Recreation and Housing Portfolio based on expenditure and activity levels for the first quarter of the financial year.

2. **RECOMMENDATION(S)**

2.1 **The Renewal, Recreation and Housing PDS Committee is requested to:**

i) **Note the projected net overspend of £593k on controllable expenditure based on information as at July 2022.**

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

i) **Note the projected net overspend of £593k on controllable expenditure based on information as at July 2022; and**

ii) **Agree the release of amounts carried forward from 2021/22 as set out in section 3.3.**

Impact on Vulnerable Adults and Children

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

1. Policy Status: Sound financial management
 2. MBEB Priority: To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents
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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: £15.7m
 5. Source of funding: Existing revenue budget 2022/23
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Personnel

1. Number of staff (current and additional): 190 Full time equivalent
 2. If from existing staff resources, number of staff hours: Not applicable
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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: Executive Decision
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Procurement

1. Summary of Procurement Implications: Not Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2022/23 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.
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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 The 2022/23 projected outturn for Renewal, Recreation and Housing Portfolio is detailed in Appendix 1A, broken down over each division within the service. Appendix 1B gives explanatory notes on the movements in each service. The current position is a projected overspend of £593k on the controllable budget, and some of the main variances are highlighted below.

3.2 The main variations are summarised in the table below:

	£'000
Building Control income	244
Supporting People contracts	Cr 144
Temporary Accommodation	422
Staffing	71
	<hr/> 593 <hr/>

3.3 AGREEMENT TO RELEASE AMOUNTS CARRIED FORWARD FROM 2021/22 BY THE PORTFOLIO HOLDER

Rough Sleepers Initiative Grant – Dr £228k & Cr £228k

3.3.1 This funding has been carried forward to bolster the delivery of rough sleeping funded work in 2022/23, primarily to secure private sector accommodation to prevent or relieve homelessness. A Private Rented Procurement Officer has been recruited to lead on this area of work.

Homelessness Reduction Grant - Dr £89k & Cr £89k

3.3.2 This money was set aside in 2018/19 to fund work preventing and relieving homelessness for young people and will be required to implement the initiatives identified through the work with the MHCLG specialist adviser. The work has not been completed and the funding was carried forward to 2022/23 when it is expected that the work will be completed.

New Burdens Funding - Dr £124k & Cr £124k

3.3.3 Grant funding for the additional costs of administration and support of the distribution of discretionary business grants was received in 2021/22 but covers the period to September 2022. This work formed part of the Council's core support to local businesses during Covid-19 periods of restrictions. Monitoring and post award assurance of these grants has continued into this financial year, with these requirements coming to end in September, and this funding is therefore required to meet these additional costs in 2022/23.

3.3.4 Planning - Dr £120k

3.3.5 At the end of 2021/22, Planning officers identified issues relating to the impact that COVID has had on the planning system and the need to address the build-up of outstanding work. Release of this funding will help meet the additional cost of dealing with the catch-up work required this financial year.

4. POLICY IMPLICATIONS

4.1 One of the "Making Bromley Even Better" ambitions is to manage our resources well, providing value for money, and efficient and effective services for Bromley's residents and to meet this we will need to maintain a relentless focus on efficiency, outcomes of services and prudent management of our finances.

- 4.2 The “2022/23 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.
- 4.4 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.

5. FINANCIAL IMPLICATIONS

- 5.1 Overall the current overspend position stands at £593k. A detailed breakdown of the projected outturn by service area is shown in appendix 1A with explanatory notes in appendix 1B. Other financial implications are contained in the body of this report and Appendix 1B provides more detailed notes on the major services.
- 5.3 Costs attributable to individual services have been classified as “controllable” and “non-controllable” in Appendix 1. Budget holders have full responsibility for those budgets classified as “controllable” as any variations relate to those factors over which the budget holder has, in general, direct control.
- 5.4 “Non-controllable” budgets are those which are managed outside of individual budget holder’s service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include, for example, building maintenance costs and property rents which are managed by the Property Division but are allocated within individual departmental/portfolio budgets to reflect the full cost of the service. As such, any variations arising are shown as “non-controllable” within services but “controllable” within the Resources, Commissioning and Contracts Management Portfolio. Other examples include cross departmental recharges and capital financing costs.
- 5.5 This approach, which is reflected in financial monitoring reports to budget holders, should ensure clearer accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the “controllable” budget variations relating to portfolios in considering financial performance.

Non-Applicable Sections:	Legal, Personnel and Procurement Implications
Background Documents: (Access via Contact Officer)	2022/23 Budget Monitoring files in ECS and ECHS Finance Section