

PART 1 - PUBLIC

Decision Maker: Adult & Community Services Policy Development & Scrutiny Committee

Date: 26th January 2012

Decision Type: Non-Urgent Executive Key

Title: BUDGET MONITORING 2011/12

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Chief Officer: Anne Watts for Director of Adult & Community Services

Ward: Borough Wide

1. Reason for report

This report provides the budget monitoring position for 2011/12 based on activity up to the end November 2011.

2. **RECOMMENDATION(S)**

- 2.1 Note that a projected underspend of £498,000 is forecast, based on information as at November 2011.
- 2.2 The Portfolio Holder is requested to approve an in-year virement of £170,000 from the Procurement and Contract Compliance budget within the Commissioning and Partnerships Division to Housing Needs, to fund a number of initiatives that will help reduce cost pressures of £700,000 following through into 2012/13.
- 2.3 Note that £150,000 relating to Learning Disabilities growth pressures approved by the Executive as part of the 2011/12 budget is being returned to the central contingency.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Adult and Community Services Portfolio
 4. Total current budget for this head: £102.1m
 5. Source of funding: ACS Approved Budget
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Staff

1. Number of staff (current and additional): 658 fte's
 2. If from existing staff resources, number of staff hours:
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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: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2011/12 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? N/A.

Summary of Ward Councillors comments: Council Wide

3. Comments – from the Adult & Community Services Management Team

- 3.1 Forecasts based on the latest activity available show a full year overspend of £231,000 on placements and domiciliary care for older people and people with physical disabilities. Management action continues with a focus on maximising income, review of care packages and delivering reablement savings.
- 3.2 Pressure on temporary accommodation continues and some of the initiatives reported through ACS PDS to address increased demands are being implemented to reduce costs going forward.
- 3.3 Overall ACS budgets are projecting a £498,000 underspend. There are one off in-year savings delivered mainly through effective commissioning and contracting arrangements, therefore continued management action and monitoring will continue to focus on containing ongoing budget pressures.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan for 2011/12 includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley's Best Value Performance Plan "Making a Difference" refers to the Council's intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2011/12 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 A detailed breakdown of the projected outturn by service area is shown in appendix 1(a) with explanatory notes in appendix 1(b). Appendix 2 gives an analysis of the latest approved budget.
- 5.2 Care Services Division

There are pressure within the Care Services division and a net overspend of £253,000 is forecast which can be analysed as follows;

	£'000
Domiciliary Care for Older People	305
Nursing, Residential & Respite for Older People	-129
Residential and Domiciliary Care for people with Physical Disabilities	55
Aids/Hiv Grant	-78
Integrated Community Equipment Store	100
Total Care Services	<u><u>253</u></u>

It is anticipated that the overspend on Assessment and Care Management will have a full year effect of around £400,000 in 2012/13, however it is expected that this will be offset by savings from the reablement service and by maintaining tight eligibility criteria.

5.3 Commissioning & Partnerships Division

A net underspend of £1,148,000 is forecast in the Commissioning & Partnerships division as a result of savings from procurement being greater than anticipated. The net underspend includes the return of £150,000 of Learning Disabilities growth to the central contingency.

The variation can be summarised as follows;

	£'000
Procurement & Contract Compliance - Contract Savings	-532
Negotiated contract uplifts lower than budgeted	-187
Mental Health Placements & Other	-306
Learning Disabilities Placements & Other	-302
Learning Disabilities Growth returned to contingency	150
Admissions Avoidance scheme overspend	147
Carers budget	-95
Other	-23
Projected underspend	<u><u>-1,148</u></u>

5.4 Based on activity to the end of November, expenditure on young adults with learning disabilities coming through Transition is lower than anticipated. This is due to revised estimates of the timing and anticipated costs of service packages for clients leaving college during 2011/12. Although this delay has allowed £150,000 of the growth received in the 2011/12 budget to be returned to the central contingency, there will still be a budget requirement for the full year costs in 2012/13.

5.5 Housing Division

The projected overspend on Bed and Breakfast and temporary accommodation placements is £327,000 in 2011/12, with cost pressures in a full year of £700k, due to a continuing increase in the number of households presenting with housing needs, particularly those faced with imminent homelessness.

5.6 An investment of £170,000 is proposed over the remainder of the financial year and into 2012/13 to address the problems around B&B pressures. This includes a range of enhanced “offers” to private landlords and letting agents to make properties available to Council nominees. The resulting savings in the nightly cost of and numbers in B&B (anticipated to be circa £200,000), will help to offset to the full year overspend in 2012/13 and future years, currently estimated to be £700,000.

5.7 The Portfolio Holder is requested to approve an in-year virement of £170k from the Procurement and Contract Compliance budget within the Commissioning and Partnerships Division to Housing Needs, to fund the initial investment.

5.8 A further explanation of all variations can be found in appendix 1 (b).

Non-Applicable Sections:	Legal, Personnel, Customer Impact
Background Documents: (Access via Contact Officer)	2011/12 Budget Monitoring files within Adult & Community Services Finance Section