

PART 1 - PUBLIC

Decision Maker: Adult & Community Services Portfolio Holder

For Pre-decision Scrutiny by the Adult & Community Services PDS Committee on 24th February 2010

Date: 24th February 2010

Decision Type: Non-Urgent Executive Key

Title: **BUDGET MONITORING 2009/10 - ADULT & COMMUNITY SERVICES**

Contact Officer: Tracey Pearson, Interim Head of Finance,
Tel: 020 8461 7806 E-mail: tracey.pearson@bromley.gov.uk

Chief Officer: Terry Rich, Director of Adult & Community Services

Ward: Borough Wide

1. Reason for report

This report provides an update of the latest budget monitoring position for 2009/10 for the Adult and Community Services Portfolio, based on expenditure and activity levels up to 31 December 2009.

RECOMMENDATION(S)

The Portfolio Holder

1. Notes that the projected overspend for the Adult and Community Services Portfolio as at 31st December has reduced from £333k to £292k.
2. Note that a sum of £100k has been transferred from the budget for Private Sector Renewals, to fund the increased cost of Renovation Grants in 2009/10, as approved by the Executive on 3rd February 2010 (see Para. 5.3).

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: All Adult & Community Services Portfolio Budgets
 4. Total current budget for this head: £87.4M
 5. Source of funding: Existing revenue budgets
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Staff

1. Number of staff (current and additional): 788 fte's
 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: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2009/10 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.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

This report provides the budget monitoring position for the Adult & Community Services Portfolio based on spend and activity at the end of December 2009.

CHIEF OFFICER'S COMMENTS

Continuing high pressure on demand for care services is being experienced across the Portfolio. This is being managed by effective monitoring, efficiencies and by identifying compensating savings wherever possible.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan for 2009/10 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 2009/10 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 The 2009/10 projected outturn is shown in Appendix 1 and includes a forecast of projected expenditure for each division, compared to the latest approved budget, with an explanation of any variations. The projections are based on expenditure and activity levels up to December 2009 and show a projected overspend of £292,000. The final column in Appendix 1 (a) shows the full year impact of any overspends in this financial year which are expected to follow through into next year. Appendix 2 shows the make up of the latest approved budget for the Portfolio.
- 5.2 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. "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 Portfolio. Other examples include cross departmental recharges and capital financing costs. 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.
- 5.3 The Capital Programme includes £960k in 2009/10 for the provision of Disabled Facilities Grants (DFG). These are mandatory grants to disabled people to enable them to adapt their homes so as to remain in those homes. This is funded by a government subsidy (originally

estimated at £660k pa) and a revenue contribution of £300k per annum. The number of DFG cases and the rising cost of works, materials and equipment have put pressure on the capital budget and the Director of Adult & Community Services has agreed a virement of £100k from the revenue budget for Private Sector Renewals. This was reported in the Capital Programme Monitoring – 3rd Quarter 2009/10 and approved by the Executive on 3rd February 2010.

5.4 The main pressures arise in the Care Services division, where an overspend of £646,000 is currently forecast, which can be analysed as follows;

	£'000
Contracted out homes/residential care	-87
Domiciliary care for older people	57
Domiciliary and residential care for clients with physical disabilities	<u>352</u>
Total Assessment & Care Management	322
Direct Services - Homecare	279
Aids/Hiv grant	-40
Learning disabilities - care management	<u>85</u>
Total Care Services	<u>646</u>

5.5 The projected underspend of £304,000 for the Commissioning and Partnerships division arises from the following, and contributes towards relevant pressures within the Care Services division.

	£'000
Carers grant expenditure	-54
Commissioning & Partnerships staffing etc.	<u>-36</u>
	-90
Procurement & Contracts Compliance - Supporting People grant	-100
Learning Disabilities Services	-138
Mental Health Services	<u>24</u>
Total Commissioning & Partnerships	<u>-304</u>

5.6 Further explanation of the variations can be found in appendix 1 (b).

Non-Applicable Sections:	Legal, Personnel, Customer Impact
Background Documents: (Access via Contact Officer)	2009/10 Budget Monitoring files within Adult & Community Services Finance Section