

PART 1 - PUBLIC

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

Date: 10th April 2012

Decision Type: Non-Urgent Executive Key

Title: BUDGET MONITORING 2011/12

Contact Officer: Lesley Moore, Deputy Finance Director,
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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 January 2012 which forecasts an underspend of £780, 000. It also provides an update on the additional funding that has been received from the DCLG and DoH.

2. **RECOMMENDATION(S)**

2.1 **PDS committee are requested to note:**

- a. that a projected underspend of £780,000 is forecast, based on information as at January 2012.
- b. the funding received from health as outlined in section 6 of this report.

2.2 **The Portfolio Holder is requested to note that:**

- a. funding of £147,000 has been received from the DCLG for Preventing Repossessions, and ask the Executive to approve the draw down of the grant, which will be carried forward and spent in 2012/13.
- b. following a successful bid, £85,000 was received from the Department of Health from the Warmer Homes Healthy People Fund and ask the Executive to approve the draw down of this funding.

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): 659 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. Management Team Comments

3.1 Overall ACS budgets are projecting a £780,000 under spend in this financial year, some of which relate to early delivery of savings assumed in the budget for 2012/13. A number of ACS budgets are volatile and small changes in the number of people receiving services can have a significant impact on the budget, therefore continued tight monitoring is required in 2012/13 to contain cost pressures and demographic changes.

3.2 The main budget variations in 2011/12 are summarised in the table below :

	2011/12 Budget £' 000
Care Services	413
Commissioning & Partnerships	-1,285
Housing	352
Strategy & Performance	-260
ACS Total variations	<u>-780</u>

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 An explanation of the main budget variations are shown in the paragraphs below.

5.2 Care Services Division

There are continued pressures within the Care Services division which is forecast to overspend by £413,000 compared to the previously reported figure of £253,000. This is mainly due to pressures around domiciliary care and placements which is broken down as follows:-

	£'000
Domiciliary Care for Older People	190
Nursing, Residential & Respite for Older People	136
Residential and Domiciliary Care for people with Physical Disabilities	55
Total Care Services	<u>381</u>

The domiciliary care and placements budgets are volatile and changes in numbers can have a significant impact on the budget. The full year cost pressures of these budgets that follow through into 2012/13 is £320,000. It is anticipated that these cost pressures will be offset by savings from the reablement service and by maintaining tight eligibility criteria.

5.3 Commissioning & Partnerships Division

A net underspend of £1,285,000 is forecast in the Commissioning & Partnerships division as a result of savings from procurement being greater and achieved earlier than anticipated. The variation can be summarised as follows;

	£'000
Procurement & Contract Compliance - Contract Savings	-397
Negotiated contract uplifts lower than budgeted	-187
Mental Health Placements & Other	-323
Learning Disabilities Placements & Other	-396
Drugs & Alcohol Service	-43
Admissions Avoidance scheme overspend	147
Carers budget	-80
Other	-6
Projected underspend	<u><u>-1,285</u></u>

Expenditure on young adults with learning disabilities coming through Transition is lower than anticipated, based on activity to the end of January. This is due to revised estimates of the timing and anticipated costs of service packages for clients leaving college during 2011/12.

5.4 Housing Division

The projected overspend for placements in Bed and Breakfast and temporary accommodation is £325,000 and has remained steady over the last few months. However cost pressures are anticipated to be £770,000 in 2012/13, due to a continuing increase in the number of households presenting with housing needs, particularly those faced with imminent homelessness.

An investment of £170,000 is being made 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.

The DCLG recently allocated funding to Local Authorities to establish a Preventing Repossessions Fund to help homeowners at risk of mortgage repossession. Bromley has received £147,000 and the DCLG envisaged that the fund will be used to offer small interest-free loans or grants to households at Risk.

Following a successful bid, Bromley was awarded £85,000 in December from the Department of Health from the Warm Homes Healthy People Fund. It is unlikely all of this will be spent in 2011/12 and so this grant will need to be carried forward into 2012/13.

Officers in the Housing division will be working with partners to inform care workers and volunteers to identify and assist those at risk. Support will then be provided in the form of local loans, grants and immediate temporary heating.

5.5 **Strategic Support Services Division**

A projected underspend of £260,000 is anticipated for the division. This is due to the Director of ACS post being vacant generating a saving of £71,000 and savings from Learning and Development of £158,000 and other savings totalling £30,000.

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 provides analysis of the latest approved budget.

6. **Funding from Health**

6.1 **Funding from Bromley Primary Care Trust (PCT)**

At the time of writing this report Council are considering on 26th March to approve the setting aside of an earmarked reserve for £5m, funded from the PCT as part of a Section 256 agreement with the Council to implement the integration of health and social care services for children and adults across all client groups. The allocation of this sum has been included in the financial projections of this report.

6.2 **Social Care and Health Grant**

The Department of Health allocated funds for social care services which also support the NHS. This funding has been transferred to Bromley from the PCT as part of a section 256 agreement and amounts to £3.176m in 2011/12, with a further £3.042m to be transferred in 2012/13. The Shadow Health and Well-Being board endorsed a number of investment plans for priority areas, which were subsequently approved by the Executive. £1.6m has been drawn down to date and £200k was carried forward from 2010/11. Latest forecasts show that due to delays in some of the projects starting, expenditure and commitments are expected to be £1.3m by the 31st March. A request will be made to carry the £500k underspend into 2012/13.

6.3 **Winter Pressures £734k**

Bromley PCT was allocated £734k in January for immediate transfer to LBB, for investment in social care services which also benefit the health system. The Department of Health recognises that during the winter period, health services and particularly hospitals are experiencing significant pressure. The funding is to enable local services to discharge patients from hospital more quickly and provide effective ongoing support for people in their own homes. A section 256 agreement is being drawn up which will outline a spending plan for this funding, however no expenditure will be committed until the new financial year and so a carry forward request will be submitted at the year end.

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