

PART 1 - PUBLIC

Decision Maker: Adult & Community Services Portfolio Holder

Date: For Pre-decision Scrutiny by the Adult & Community Services PDS Committee on 27th July 2010

Decision Type: Non-Urgent Executive Key

Title: **BUDGET MONITORING 2010/11 - 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 the budget monitoring position for the first two months of 2010/11 for the Adult and Community Services Portfolio, based on expenditure and activity levels up to 31 May 2010.

2. **RECOMMENDATION**

The Portfolio Holder is requested to note that a projected overspend of £ 514,000 is forecast for the Adult and Community Services Portfolio as at 31st May.

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: £94.5M
 5. Source of funding: Existing revenue budgets
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Staff

1. Number of staff (current and additional): 803 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 2010/11 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 May 2010.

CHIEF OFFICER'S COMMENTS

Whilst still early in the financial year, there are indications that demand pressures will continue to be a major feature of the months to come particularly for older people and people with physical disabilities. Learning Disabilities will remain the biggest area of increasing costs, although those anticipated costs are included within the agreed budget. The overspend within the in-house Home Care service will need careful management this year as the volume of hours delivered continues to reduce as more care is purchased from independent sector care providers, increasingly driven through service users exercising choice through their personal budgets and Direct Payments. The first impact of the reduction in Government Area Based or Specific Grants has been experienced with the loss of £166,000 Supporting People Administration Grant announced in June. This will require compensating reductions in spend and careful management to ensure that short term savings do not result in longer term increases in spend.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan for 2010/11 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 2010/11 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 2010/11 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 May 2010 and show a projected overspend of £514,000. 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 main pressures arise in the Care Services division, where an overspend of £504,000 is currently forecast, which can be analysed as follows;

	£'000
Residential and nursing care for older people	-433
Domiciliary care for older people	443
Domiciliary and residential care for clients with physical disabilities	<u>338</u>
Total Assessment & Care Management	348
Direct Services - Homecare	<u>156</u>
Total Care Services	<u>504</u>

5.4 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)	2010/11 Budget Monitoring files within Adult & Community Services Finance Section