

Portfolio	2012/13 Original Budget £'000	Budget Variations allocated in year # £'000	2012/13 Latest Approved Budget £'000	2012/13 Projected Outturn £'000	Variation £'000	Variation previously reported to Exec 12.09.12 £'000
Care Services	103,480	407	103,887	101,952	Cr 1,935	Cr 1,426
Education (incl. Schools' Budget)	Cr 863	557	Cr 306	Cr 1,843	Cr 1,537	Cr 575
Environment	31,309	343	31,652	31,402	Cr 250	0
Public Protection & Safety	3,273	30	3,303	3,303	0	0
Renewal and Recreation	9,074	250	9,324	9,324	0	0
Resources	38,999	630	39,629	40,238	609	585
Total Controllable Budgets	185,272	2,217	187,489	184,376	Cr 3,113	Cr 1,416
Capital and Insurances (see note 2)	30,161	0	30,161	30,161	0	0
Non General Fund Recharges	Cr 811	0	Cr 811	Cr 811	0	0
Total Portfolios (see note 1)	214,622	2,217	216,839	213,726	Cr 3,113	Cr 1,416
Central Items:						
Interest on General Fund Balances	Cr 2,691	0	Cr 2,691	Cr 2,691	0	0
Contingency Provision (see Appendix 3)	7,254	Cr 667	6,587	6,587	0	0
Other central items						
Reversal of Net Capital Charges (see note 2)	Cr 29,353	0	Cr 29,353	Cr 29,353	0	0
Provision for Invest to Save, Capital Works and Other Provisions	12,642	0	12,642	12,642	0	0
Levies	1,514	0	1,514	1,514	0	0
Total other central items	Cr 15,197	0	Cr 15,197	Cr 15,197	0	0
Total All Central Items	Cr 10,634	Cr 667	Cr 11,301	Cr 11,301	0	0
Bromley's Requirement before balances	203,988	1,550	205,538	202,425	Cr 3,113	Cr 1,416
Carry Forwards from 2011/12 (see note 3)	0	Cr 1,550	Cr 1,550	0	1,550	1,550
Adjustment to Balances	0	0	0	1,581	1,581	Cr 116
Formula Grant (Revenue Support Grant / Business Rates)	Cr 59,636	0	Cr 59,636	Cr 59,636	0	0
Council Tax Freeze Grant 2011/12 (subsumed into Formula Grant)	Cr 3,304	0	Cr 3,304	Cr 3,304	0	0
Council Tax Freeze Grant 2012/13	Cr 3,304	0	Cr 3,304	Cr 3,322	Cr 18	Cr 18
New Homes Bonus	Cr 2,025	0	Cr 2,025	Cr 2,025	0	0
Local Services Support Grant	Cr 823	0	Cr 823	Cr 823	0	0
Collection Fund Surplus	Cr 2,000	0	Cr 2,000	Cr 2,000	0	0
Bromley's Requirement	132,896	0	132,896	132,896	0	0
GLA Precept	41,119	0	41,119	41,119	0	0
Council Tax Requirement	174,015	0	174,015	174,015	0	0

# Budget Variations allocated to portfolios in year consists of:	£'000
1) Carry forwards from 2011/12 (see note 3)	1,550
2) Allocations from the central contingency provision (see Appendix 3)	667
	<u>2,217</u>

1) **NOTES**

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2012/13 Original Budget £'000	Budget Variations allocated in year # £'000	2012/13 Latest Approved Budget £'000	2012/13 Projected Outturn £'000	Variation £'000	Variation previously reported to Executive £'000
Education & Care Services	136,594	1,135	137,729	134,252	Cr 3,477	Cr 2,006
Environmental Services	43,945	721	44,666	44,411	Cr 255	5
Renewal and Recreation	9,371	105	9,476	10,216	740	797
Corporate Services	24,712	256	24,968	24,847	Cr 121	Cr 212
	<u>214,622</u>	<u>2,217</u>	<u>216,839</u>	<u>213,726</u>	<u>Cr 3,113</u>	<u>Cr 1,416</u>

2) **Reversal of Net Capital Charges**

This is to reflect the technical accounting requirements contained in CIPFA's Code of Practice for Local Authority Accounting and has no impact on the Council's General Fund.

3) **Carry Forwards from 2011/12**

Carry forwards from 2011/12 into 2012/13 totalling £1,550k were approved by the Executive and under the delegated authority of the Finance Director. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2011/12" report.

Care Services Portfolio Budget Monitoring Summary

2011/12 Actuals £000's	Division Service Areas	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Adult Social Care							
124	AIDS-HIV service	120	45	45	0		0	0
32,766	Assessment and Care Management	31,603	32,208	32,291	83	1	(131)	(950)
5,617	Direct Services	4,626	4,126	4,141	15	2	15	0
2,241	Learning Disabilities Care Management	2,451	2,401	2,410	9	3	(28)	0
1,981	Learning Disabilities Day Services	2,050	2,050	1,975	(75)	4	(76)	0
1,273	Learning Disabilities Housing & Support	1,211	1,259	1,236	(23)	5	(23)	0
44,002		42,061	42,089	42,098	9		(243)	(950)
	Operational Housing							
2,519	Housing Needs	2,160	2,548	3,079	531	6	509	1,047
(4)	Enabling Activities	(4)	(4)	(4)	0		0	0
(954)	Housing Benefits	(1,017)	(1,017)	(1,017)	0		0	0
1,561		1,139	1,527	2,058	531		509	1,047
	Strategic and Business Support Service							
1,487	Performance & Information	2,510	2,550	2,378	(172)	7	(195)	0
197	Quality Assurance	188	199	192	(7)		2	0
0	Transforming Social Care	0	0	14	14		0	0
1,684		2,698	2,749	2,584	(165)		(193)	0
	Commissioning							
2,777	Commissioning	3,621	3,913	4,071	158		177	0
15,345	Learning Disabilities Services	17,144	17,008	15,597	(1,411)	9	(956)	(1,100)
4,670	Mental Health Services	5,193	5,113	4,905	(208)	10	(70)	(44)
3,898	Supporting People	4,052	4,052	3,252	(800)	11	(650)	0
201	Drugs and Alcohol	254	254	205	(49)		0	0
0	PCT Funding (Social Care & Health)	0	0	0	0		0	0
26,891		30,264	30,340	28,030	(2,310)		(1,499)	(1,144)
	Children's Social Care							
14,174	Care and Resources	13,125	13,113	13,113	0	8	0	0
2,304	Safeguarding and Quality Assurance	1,872	1,828	1,828	0		0	0
2,841	Safeguarding and Care Planning	2,871	2,871	2,871	0		0	0
2,954	Referral and Assessment	2,991	2,991	2,991	0		0	0
837	Bromley Youth Support Programme (Youth Justice)	911	911	911	0		0	0
23,110		21,770	21,714	21,714	0		0	0
	Education							
4,489	SEN and Inclusion Childrens Disability Service	4,258	4,252	4,252	0		0	0
443	School Improvement Looked After Children	560	560	560	0		0	0
4,932		4,818	4,812	4,812	0		0	0
102,180	TOTAL CONTROLLABLE FOR CARE SERVICES	102,750	103,231	101,296	(1,935)		(1,426)	(1,047)
6,021	TOTAL NON CONTROLLABLE	2,487	2,507	2,502	(5)		(5)	0
11,238	TOTAL EXCLUDED RECHARGES	8,901	9,024	9,024	0		0	0
119,439	TOTAL CARE SERVICES ECS DEPARTMENT	114,138	114,762	112,822	(1,940)		(1,431)	(1,047)
	Environmental Services Dept - Housing							
728	Housing Improvement	476	402	402	0	12	0	0
280	Housing Enforcement	254	254	254	0		0	0
1,008	TOTAL CONTROLLABLE FOR ENV SVCS DEPT	730	656	656	0		0	0
559	TOTAL NON CONTROLLABLE	1,500	1,500	1,500	0		0	0
344	TOTAL EXCLUDED RECHARGES	146	146	146	0		0	0
1,911	TOTAL FOR ENVIRONMENTAL SVCS DEPT	2,376	2,302	2,302	0		0	0
121,350	TOTAL CARE SERVICES PORTFOLIO	116,514	117,064	115,124	(1,940)		(1,431)	(1,047)

<u>Memorandum Item</u>								
Invest to Save projects: Savings								
Dementia Investment Plan	(100)	(100)	(40)	60		60		
PD Investment Plan	(100)	(100)	(40)	60		60		
LD Investment Plan (re Younger Adults)	(100)	(100)	(20)	80		80		
Sub Total Invest to Save projects	(300)	(300)	(100)	200		200		0

	£'000
2012/13 Original Budget	116,514
Support services recharge adjustment for Appointeeship (from Corporate)	124
2011/12 Carry Forwards agreed by Executive 20/06/12	388
<u>2012/13 Budget Adjustments</u>	
Posts transferred to / from Commissioning to / from Children's / Education	(6)
0.25fte for additional AP processing for ICES retail prescription invoices	(6)
Posts transferred between Care Services & Education Portfolio	30
Rent income adjustment (from Corporate)	20
2012/13 Latest Approved Budget	117,064

REASONS FOR VARIATIONS

1. Assessment & Care Management - Dr £83k

The variation can be analysed as follows:-

	£'000
a) Residential/Nursing care and respite for older people	(414)
b) Domiciliary care & direct payments for older people	809
c) less part year saving on retendering of domiciliary care contracts	(400)
d) Residential and domiciliary care for people with physical disabilities	88
	<hr/>
	83

- a) The number of nursing and residential placements continue to be below budget resulting in a projected underspend of £266k. In addition, inflationary increases agreed with providers have so far mainly been below the level budgeted for, resulting in a further saving of £148k. An invest to save proposal was agreed at Executive on 7th September 2011 relating to dementia and officers are currently implementing the initiatives agreed, with expected savings already included in the projected outturn. To date it is projected that £45k of cost pressure has been avoided.
- b) There continues to be pressure on the community based budgets for older people, with a projected overspend of £809k reported. The priority is to keep older people in their own homes rather than placed in residential care, especially following discharge from hospital, and this can be seen in the reduced costs of residential and nursing placements above, however this has placed pressure on the domiciliary care and direct payments budgets which continue to overspend.
- c) The above is partly offset by savings being delivered by the reablement team, which continues to support and reable clients and avoid ongoing care costs and savings from the tendering of domiciliary care contracts expected to save approximately £400k this year and £1m in a full year.
- d) Services for clients with physical disabilities were showing a small underspend of £50k at the last budget monitoring. An invest to save proposal to help avoid future growth was agreed at Executive on 19th October 2011 and officers are currently implementing the initiatives agreed, with expected savings already included in the projected outturn. Despite this ongoing work around trying to prevent costly placements, it is expected that 3 new unavoidable placements will have to be made in the near future, and these costs have been factored into the projected outturn, which is now showing an overspend of £88k.

2. Direct Services - Dr £15k

- a) Reablement - The budget for the reablement team is expected to underspend by £19k this year.
- b) Carelink - The staffing budget is projected to be underspent by £50k this year, as a result of a minor reorganisation of the service.
- c) Admissions Avoidance service - The overspend of £96k relates to the full staffing costs of the team. The service was jointly commissioned with Bromley PCT and the business case was built on the basis of savings in hospital tariffs, with the risk and benefits being shared by the two organisations. Although the activity levels for the service in 2011/12 resulted in avoided admissions (and therefore notional reductions in cost), the PCT had experienced an overall increased spend on emergency acute activity during the year and was not in a position to reimburse any funding to the Council. As a result of this the Council overspent the budget in 2011/12 and with no likely reimbursements in the future, proposals to withdraw from the service were submitted to ACS PDS on 10th April. The service has now closed and the overspend reported is the final cost for the year.
- d) C.A.R.T's - The projected spend on staffing for the Community Assessment and Rehabilitation team is expected to be £12k below budget this year.

3. Learning Disabilities Care Management - Dr £9k

The overspend relates to minor variations in domiciliary care and direct payment costs.

4. Learning Disabilities Day and Respite Services - Cr £75k

There are 2 services for clients with Learning Disabilities provided under this budget head, day services and respite services. Day services are provided at various council owned premises, as well as in the community, whilst respite services are currently provided at 2 locations in the borough, prior to the move to the new unit at Widmore Road due to open later in the year. There is a net underspend of £75k projected for these services.

5. Learning Disabilities Housing and Support - Cr £23k

The LD Housing and Support service is an inhouse service currently providing residential care and supported living to clients with a learning disability, as well as running the Shared Lives scheme covering all client groups.

6. Housing Needs - Dr £531k

The forecast net overspend of £531k comprises:

	£'000
Nightly paid accommodation (B&B) projected overspend	984
Use of Housing Grants to mitigate overspend	(453)
	<u>531</u>

The number of B&B placements is currently fairly stable, largely as a result of the impact of invest to save initiatives, including the 26 units now available at Cranbrook Court. However, numbers are expected to increase at an average rate of 6 per month (net) for the remainder of the year and this is reflected in the projected overspend. This is a continuation of the trend seen in 2011/12.

The savings from the invest to save initiatives are set out below. It should be noted that there is still an element of projection in some of the figures and actual figures may vary.

	2012/13	FYE
	£'000	£'000
Top up on existing leasing programme (golden hellos)	(133)	(188)
Enhanced initiatives on homeless prevention and enhanced incentives for access to private rented sector	(349)	(502)
Building conversion (Cranbrook Court)	(88)	(129)
	<u>(570)</u>	<u>(819)</u>

Increases in client numbers and rising unit costs have been noticeable across all London boroughs and are the result of the pressures of rent and mortgage arrears coupled with a reduction in the number of properties available for temporary accommodation. There are high levels of competition and there is evidence of 'out-bidding' between London boroughs to secure properties. This has contributed towards the high cost of nightly paid accommodation.

Given the size of the projected overspend, £453k of Housing grant funding has been used to help offset these cost pressures in the current year. This is a short term measure and doesn't address the increasing cost pressures going forward.

7. Strategic & Business Support Services - Cr £165k

The projected underspend of £165k relates to:

	£'000
Social Care Workforce training	(163)
Other	(2)
	<u>(165)</u>

The savings on Social Care Workforce training partly relate to early achievement of savings required in 2013/14 (recurrent saving) and partly to delayed commissioning of training services in 2012/13 following a strategic workforce learning needs analysis (non-recurrent saving).

8. Children's Social Care - General Commentary

Staffing

Savings of £90k have been achieved as part of the 2012/13 budget setting in the Care and Resources and Safeguarding and Quality Assurance teams.

The Recruitment and Retention package brought in in 2010/11 has been successful in its aim of reducing the overspend within the Social Care teams. There is an ongoing need to rely on agency staff due to the usual reasons of delays in recruitment, sick and maternity leave.

Step Up to Social Work Grant

This is the second year of the two year grant funding and the budget for this year is £465k, plus a carry forward of £51k from 2011/12, which was approved by Executive on 20th June. The DfE has confirmed that any underspend on the grant this year can be carried forward to 2013/14.

Placements

The Placement Budget has had growth of £500k added in 2012/13 to address the high level of overspend in the last 2 financial years. There has been 62% increase nationally in the numbers of children taken into care during this period, and during the last 2 months Bromley itself has seen an increase in the number of placements having to be made. At this stage it is expected that expenditure can be contained within budget, although this will have to be closely monitored.

Unaccompanied Asylum Seeking Children

Grant funding is reducing for these clients as the numbers have fallen over the last few years. Leaving Care clients are now below the de minimus level of 25 so no funding will be received. This resulted in an overspend in 2011/12 and is being monitored closely in 2012/13.

9. Learning Disabilities Services - Cr £1,411k

Budgets for learning disabilities placements (including supported living and shared lives) are forecast to underspend by £1,411k.

The savings arise mainly from commissioning cost efficient placements for some of the ex-PCT reprovion clients, limiting inflationary increases and attrition. The projected spend includes an element for further outstanding inflationary increases which may not occur. This would result in an increased level of underspend.

The projected spend also includes assumptions in relation to future volume-related changes (i.e. increased numbers of clients from: transition, carer breakdowns, increased client needs and Ordinary Residence transfers).

In 2013/14 the full year effect of these savings will be £869k. This will be achieved through the delivery of the campus reprovion programme and the benefit from attrition rates

10. Mental Health Services - Cr £208k

The projected underspend arises partly from the full year effect of client moves during 2011/12 which resulted in more cost effective placements, from increased use of flexible support rather than residential placements and from containing annual contract price increases to providers. Some of the underspend relating to restricting price increases has been attributed to the 2012/13 budget saving for commissioning contract efficiencies.

£75k of the underspend relates to early achievement of savings required in 2013/14 on the s75 Agreement with Oxleas NHS Trust for delivery of community mental health services.

11. Supporting People - Cr £800k

There is a projected underspend of £800k on Supporting People budgets. This is in addition to the savings required to achieve the savings targets built in to the 2012/13 budget (further £400k reduced funding for sheltered housing and £300k reduced commissioning of Supporting People services).

The £800k underspend relates mainly to savings arising from the gateway review of Supporting People funded tenancy support services, from limiting inflationary increases and from the tendering of mental health flexible support services. This represents early achievement of savings required in 2013/14.

12. Housing Improvement - Nil Variation

There is a projected overspend of £17k within employee costs due to non-achievement of the turnover budget. This is fully offset by extra income received as a result of repayment of home improvement loans.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the

Executive, waivers were approved as follows: for 3 residential placements exceeding £50k and 1 exceeding £100k . There were also contract waivers agreed for £21k, £51k, £544k and £124k for extension of current contracts.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, the following virement has been actioned.

Funding for Shared Lives Placement Officer, admin support and training / advertising:

To: Shared Lives staffing / running expenses
From: Learning Disabilities residential placements

£'000
48
(48)

2011/12 Actuals £'000	Division Service Areas	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Education and Care Services Department							
	Education Division							
1,904	Access	1,813	2,467	2,344	(123)	1	0	0
3,440	SEN and Inclusion	3,961	3,914	3,570	(344)	2	(250)	0
0	Schools Budgets	0	0	0	0	3	0	0
1,845	Education Commissioning and Business Services	941	811	443	(368)	4	(325)	(525)
1,055	School Improvement	653	523	320	(203)	5	0	(325)
8,244		7,368	7,715	6,677	(1,038)		(575)	(850)
	Children's Social Care							
3,118	Bromley Youth Support Programme	2,322	2,322	1,847	(475)	} 6	0	0
2,395	Children's Centres	2,027	2,237	2,213	(24)		0	0
5,513		4,349	4,559	4,060	(499)		0	0
	Adult Education Centres							
(291)	Adult Education Centres	(570)	(570)	(570)	0		0	0
(291)		(570)	(570)	(570)	0		0	0
	Early Intervention Grant							
(11,001)	Early Intervention Grant	(12,010)	(12,010)	(12,010)	0		0	0
(11,001)		(12,010)	(12,010)	(12,010)	0		0	0
2,465	TOTAL CONTROLLABLE FOR EDUCATION - ECS	(863)	(306)	(1,843)	(1,537)		(575)	(850)
36,666	Total Non-Controllable	16,344	16,344	16,344	0		0	0
4,102	Total Excluded Recharges	4,599	4,627	4,627	0		0	0
43,233	TOTAL FOR EDUCATION PORTFOLIO - ECS	20,080	20,665	19,128	(1,537)		(575)	(850)
	Memorandum Item							
	Sold Services							
	Education Development Centre (RSG Funded)	0	0	55	55	} 7	152	
	Education Development Centre (DSG Funded)	1,115	1,115	1,149	34		(168)	
	Education Psychology Service (RSG Funded)	0	0	25	25		0	
	Education Welfare Service (RSG Funded)	0	0	0	0		0	
	Behaviour Support (Secondary) (DSG Funded)	57	57	57	0		0	
	Behaviour Support (Primary) (DSG Funded)	76	76	76	0		0	
	Free School Meals (RSG Funded)	0	0	0	0		0	
	Business Partnerships (RSG Funded)	0	0	8	8	0		
	Sub Total Invest to Save projects	1,248	1,248	1,370	122		(16)	0

Reconciliation of latest approved budget

£'000

Original budget 2012/13	20,080
Carry forward from 2011/12	120
Transfer of Strategic Property Manager from Resources	76
Restructure of Care services Commissioning	(25)
Early Years funding from contingency	400
Transfer of Education Client (Catering & Cleaning) to ECS	14
Latest Approved Budget for 2012/13	20,665

REASONS FOR VARIATIONS

1. Access Cr £123k

An underspend of £123k is forecast for Access. This comprises £85k staff savings as a result of the Early Years restructure, £30k for Pupil Clothing expenditure, which will be ceased in 2013/14, creating a saving of £100k as reported in February 2012, and £8k relating to educational equipment in the Education Welfare Service.

	Projected Variation £'000
Early Years	(85)
Pupil Clothing	(30)
Education Welfare Service - equipment	(8)
	<u>(123)</u>

2. SEN and Inclusion Cr £344k

Transport for children with special education needs is currently forecast to underspend by £374k. This is due to price increases below inflation and optimisation of route planning, overachievement of recoupment income, and an overspend on vehicle repairs.

There's also a total overspend of £30k in other areas of SEN and Inclusion.

	Projected Variations	
	£'000	£'000
Education psychology service		(8)
SEN		38
SEN		
-Transport contract	(289)	
-Recoupment income	(100)	
-Vehicle repairs	15	(374)
		<u>(344)</u>

3. Schools Budgets (no impact on General Fund)

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the schools budget. Any overspend or underspend must be carried forward to the following years Schools Budget. A total net underspend of £409k is currently projected on DSG funded services as outlined below.

SEN placements are currently expected to create an underspend of £404k. This is mainly due to a reduction in expected growth in the number of pupils receiving statements as a result of Pupil Resource Agreements put in place to support pupils in mainstream schools. There is also £155k underspend on the DSG funded element of SEN transport, and a small underspend in other areas of SEN and Inclusion.

An underspend of £87k is forecast for the Behaviour Service. This is mainly due to various posts which are currently vacant, and which are expected to remain so in the near future, and several full time posts only being filled by part-time employees. There is also a projected overspend on transport costs.

Nursery Education payments for 3 and 4 year olds is estimated overspend by £375k due to a higher level of demand than expected. The budget for this part of the early years service is £9.8m.

Finally, the restructure of the EDC has resulted in part-year savings of £104k .

	Projected Variations	
	£'000	£'000
Behaviour service	(87)	
Early years - NEG payments	375	288
SEN Central budget	(404)	
SEN Transport	(155)	
Deaf centres & sensory support	9	
SEN pre-school service	(43)	(593)
EDC Trading A/C - DSG		34
School Improvement		(138)
Underspend to be carried forward to 13/14		<u>(409)</u>

4. Education Commissioning and Business Services Cr £368k

A underspend of £420k is forecast for the Education Development Centre (EDC), primarily due to 8 vacant posts not being filled. This is partially offset by a shortfalls of income anticipated for the EDC and Business Partnerships trading accounts. There's also a small underspend on the Primary Business Partnerships budget due to a part-year saving on an apprentice post.

	Projected Variation £'000
Commissioning - EDC	(420)
EDC Trading A/C - RSG	55
Business Partnership Trading A/C - RSG	8
Primary Central Business Partnerships	(11)
	<u>(368)</u>

5. School Improvement Cr £203k

The school improvement service was also part of the EDC restructure, resulting in part year savings of £203k, mainly from employee costs.

6. Children's Centres & Bromley Youth Support Programme Cr £499k

Although relating to Education, these budgets for Children's Centres, The Music Service and Youth Support, come under the management responsibility of the Assistant Director for Children's Social Care.

There is an expected underspend in Youth Support of £475k as a result of early achievement of 2013/14 savings for the service (£580k), and an underspend of £24k in Referral and Assessment, due to 3 currently vacant posts in Parent

7. Sold Services Dr £122k

Services sold to schools have, for the first time in 2012/13, been separated out to provide clarity in terms of the services being provided and the income generated from those services. DSG funded services are ultimately funded from the ring fenced DSG grant if there is any shortfall. RSG funded services would have to be funded from core Bromley funding.

Work is being carried out with Budget Managers to minimise the risk of a financial shortfall in these areas. Additional funding streams are being explored/tapped into and costs are being reduced in order to stay with financial limits. Major reorganisations have been carried out in the Education Development Centre which will have an impact on sold services. Other areas such as Education Psychology, Education Welfare and Behaviour Support have made adjustments to their staffing, running costs and service offer to reduce costs and increase income potential.

Sold services will continue to be monitored closely throughout the year. Current projections show an adverse variation in the EDC trading accounts as shown in notes 3 and 4 above. This is due to a revision of the costs that are allocated to sold services.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive two contract waivers were approved relating to the placement of two children with SEN disabilities, one for £196k p.a and one for £144k p.a. Both of these placements are joint funded with Care Services; Education contributions are £80k and £72k respectively.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

2011/12 Actuals £'000	Division Service Areas	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
(5,610)	Customer & Support Services							
1,932	Parking	(6,697)	(6,722)	(6,432)	290	1 - 4	300	400
	Support Services	1,402	1,342	1,342	0		0	0
(3,678)		(5,295)	(5,380)	(5,090)	290		300	400
101	Public Protection - ES							
	Emergency Planning	113	113	113	0		0	0
101		113	113	113	0		0	0
	Street Scene & Green Space							
5,904	Area Management/Street Cleansing	4,535	4,465	4,465	0	5	0	0
2,454	Highways	2,385	2,385	2,385	0		0	0
(18)	Markets	(29)	(29)	(29)	0		0	0
6,057	Parks and Green Space	6,042	6,129	6,129	0		0	0
567	Street Regulation	628	570	570	0		0	0
16,549	Waste Services	16,254	16,453	16,163	(290)	6	(300)	(300)
31,513		29,815	29,973	29,683	(290)		(300)	(300)
	Transport & Highways							
6,613	Highways incl London Permit Scheme	6,188	6,469	6,219	(250)	7	0	(200)
161	Highways Planning	142	167	167	0		0	0
866	Traffic & Road Safety	346	310	310	0		0	0
7,640		6,676	6,946	6,696	(250)		0	(200)
35,576	TOTAL CONTROLLABLE	31,309	31,652	31,402	(250)		0	(100)
7,652	TOTAL NON-CONTROLLABLE	6,937	7,160	7,155	(5)	8	5	0
2,614	TOTAL EXCLUDED RECHARGES	2,103	2,228	2,228	0		0	0
45,842	PORTFOLIO TOTAL	40,349	41,040	40,785	(255)		5	(100)

Reconciliation of latest approved budget

£'000

Original budget 2012/13

40,349

Carry forwards from 2011/12

248

Repairs and Maintenance

167

Supplementary estimate for implementation of Flooding and Water Act

220

Budget Adjustments for rental Income

60

Property Services Rental Income

(4)

Latest Approved Budget for 2012/13

41,040

REASONS FOR VARIATIONS

1. Income from bus lane contraventions Cr £109k

An increase in bus lane contraventions has meant that income is above estimated levels by £115k offset by £6k less income received for tickets issued in 2011/12 than expected. The net effect is a surplus of £109k.

2. Off Street Car Parking Dr £217k

The parking charges income budget assumed that the new charges would be in place for the full financial year 2012-13 but these came into effect in late April 2012, as advised in the increase in charges report. The impact of this slight delay is Dr £20k.

Using the data available from the first five months following the increase, off-street car parking income is projected to be £260k below budget expectation, although this could be as high as £280k. Within this variation, around £100k relates to the four multi-storey car parks, and £160k other surface car parks. The income will be closely monitored during the next few months and any major variances reported to Members.

The projected income deficit is partly being offset by savings from management action of £63k from reducing running expenses, including contract costs.

3. On Street Car Parking Dr £210k

Income shortfall in April was £40k as the fees were introduced at the end of the month. After analysing the data to 30th September 2012, it is clear that income is well below expected levels in the Bromley Town Centre, Beckenham and Orpington. Overall a shortfall in income of £280k is projected, although this could be as high as £300k.

Management action has been taken to freeze the equipment replacement budget of £70k on the assumption that, following the introduction of mobile phone parking, the programme of recycling surplus pay and display machines is continued.

The full year effect of the deficit currently projected for parking will be balanced by a combination of additional income generated from the extra parking capacity being provided within Bromley Town Centre following the closure of Westmoreland Road Car Park, and the balance will be funded from the underspend within waste management.

4. Car Parking Enforcement Cr £28k

There is a projected net surplus of £127k from PCNs issued by Vinci due to an increase in contraventions. As a result of a range of performance indicators being met, there is a performance payment due to the contractor of around £40k.

There is a projected deficit of £30k for mobile and static cameras due to reduced contraventions, however contraventions have begun to increase over the last couple of months which could reduce the projected deficit if the trend continues.

There is a projected overspend within staffing budgets of £29k.

Summary of variations within Parking:	£'000
Bus Routes Enforcement	(109)
Off Street Car Parking	280
On Street Car Parking	280
Deficit in income from CCTV parking contraventions	30
Net additional income from other parking contraventions	(87)
Savings resulting from management action	(133)
Overspend within Enforcement staffing costs	29
Total variation for parking	<u>290</u>

5. Area Management & Street Cleansing £0k

There is a projected overspend within employee costs of £13k. This is a result of delays in implementing the Street Scene & Green Space review of back-office functions.

There is also a projected net overspend within premises costs of £13k, and toilet cleaning contract payments of £12k, as a result of delays in the planned closure of public conveniences. These overspends are being met by underspends within graffiti removal of £38k.

6. Waste Management Cr £290k

There is currently a total projected underspend within waste disposal tonnages of £290k. £165k has arisen from 2,150 lower tonnes than budgeted between April and September, with a further projected underspend of £125k relating to a variation of 1,630 tonnes projected for the rest of 2012-13.

Within the total projected variation of 3,780 tonnes, approximately 1,000 tonnes relates to decreased activity from builders and other tradesmen bringing waste to the depots. (500 tonnes lower of waste disposal at the depots in the period April to September 2012 compared to the equivalent period in 2011). This has resulted in a projected underspend of £77k, which partly offsets the income shortfall described below.

A deficit of £150k is being projected for trade waste delivered income due to reduced activity as described above. The bad weather in this period, especially during April and May, may have had an impact and it has been hoped that this activity would pick up later in the year. So far, this appears not to have happened, hence the deficit continues to be projected. The projected net deficit relating to this service is therefore £73k.

Within trade waste collection income, there is a projected surplus of £150k. Prices were increased by 17% from 1st April 2012 and expectation was built into the 2012-13 for a dropout of 11% of customers. However, it would appear that the actual net loss of total customers has only been around 3.5%, resulting in the projected surplus income.

As a result of a reduced dropout of customers than budgeted, there are increased costs within the collection contract of approximately £25k. These are offset by various underspends across other aspects of the collection contract.

Summary of variations within Waste Management

£'000

Decrease in waste disposal tonnage	(213)
Reduction in disposal tonnage as a direct result of a decrease in trade waste	(77)
Shortfall of income due to drop in customers delivering trade waste to depots	150
Additional income from trade waste collections	(150)
	<u>(290)</u>

7. Highways including London Permit Scheme Cr £250k

There is a projected underspend within the Street lighting electricity budget of £250k. This is largely the result of an unanticipated reduction in unit rates of over 25% between March and April 2012. Additionally, rebates and credits of £80k have been received.

Within NR&SWA income, there is a projected net deficit of £30k. It is expected that this will be covered from management action to reduce running expenses.

8. Non-controllable budgets Cr £5k

For information here, the variations relate to additional income within property rental income budgets across the division. Property department are accountable for these variations.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, no waivers have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

2011/12 Actuals £'000	Division Service Areas	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
454	Public Protection Community Safety	538	568	568	0		0	0
323	Mortuary & Coroners Service	344	344	309	(35)	1	(35)	0
2,580	Public Protection	2,391	2,391	2,426	35	2	35	0
3,357	TOTAL CONTROLLABLE FOR PUBLIC PROTECTION	3,273	3,303	3,303	0		0	0
129	TOTAL NON CONTROLLABLE	6	6	6	0		0	0
330	TOTAL EXCLUDED RECHARGES	317	317	317	0		0	0
3,816	PORTFOLIO TOTAL	3,596	3,626	3,626	0		0	0

Reconciliation of latest approved budget

£'000

Original budget 2012/13

3,596

Carry forwards from 2011/12 re: Community Safety

30

Latest Approved Budget for 2012/13

3,626

REASONS FOR VARIATIONS

1.Mortuary & Coroners Service Cr £35k

Officers have recently been given an indication that Bromley will be receiving a one-off refund for the Mortuary/Coroners service for 2012/13. At this stage it is estimated to be in the region of £35k.

2.Public Protection Dr £35k

There is likely to be a deficit of £100k within Public Protection as planned savings for the shared Regulatory Services within the 2012/13 budget are unlikely to be achieved this financial year. However, this overspend has been offset by other savings in order to achieve a balanced budget. It is hoped that Officers will be able to achieve this saving from 1st April 2013 or find permanent alternative compensating savings.

The retendering of the CCTV contract resulted in £59k saving of which £35k was built into the budget. £24k is therefore available for 2012/13 to offset the overspend detailed above.

It is estimated that additional income of £15k will be raised from the new fees that were introduced for a noise assessment and CCTV deployment service for Registered Social Landlords for 2012/13.

Management action to reduce costs within running expenses has achieved a saving of £26k to offset the non achievement of the savings target relating to shared services for 2012/13.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive no waivers have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

2011/12 Actuals £'000	Division Service Areas	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
73	Housing Strategy & Development Housing Strategy & Development	(16)	(16)	(4)	12	1	0	0
73		(16)	(16)	(4)	12		0	0
	Planning							
15	Building Control	(22)	16	16	0	2	0	0
(169)	Land Charges	(281)	(169)	(169)	0		0	0
1,011	Planning	801	798	798	0	3	35	290
1,264	Renewal	1,167	1,230	1,218	(12)	4	(35)	0
2,121		1,665	1,875	1,863	(12)		0	290
	Recreation							
2,610	Culture	2,315	2,328	2,328	0		0	0
5,285	Libraries	4,816	4,843	4,843	0	5	0	0
374	Town Centre Management & Business Support	294	294	294	0		0	0
8,269		7,425	7,465	7,465	0		0	0
10,463	Total Controllable R&R Portfolio	9,074	9,324	9,324	0		0	290
4,181	TOTAL NON CONTROLLABLE	2,207	2,211	2,211	0		4	0
2,294	TOTAL EXCLUDED RECHARGES	1,957	1,957	1,957	0		0	0
16,938	PORTFOLIO TOTAL	13,238	13,492	13,492	0		4	290

Reconciliation of latest approved budget

£'000

Original budget 2012/13

13,238

Carry forwards from 2011/12

100

Allocation from contingency for Land Charges

112

Allocation from contingency for Building Control Charges

38

Property Services Rental Income

4

Latest Approved Budget for 2012/13

13,492

REASONS FOR VARIATIONS

1. Housing Strategy & Development Dr £12k

As a result of deferral of part of the 2012-13 savings initiatives and following final settlement in September, there is an overspend of £12k.

Within income from affordable housing charges, there is a projected deficit of £60k. This is largely due to the on-going effects of the economic downturn, which have seen reduced planning & building initiatives and therefore a reduced requirement to provide affordable housing.

This deficit is being offset by a projected underspend within salaries of £60k, resulting from two vacant posts being held vacant.

2. Building Control £0k

Based on information to date, an income deficit is projected of £180k. This is being offset by savings of £180k from management action to reduce costs, including holding 3.7ftees vacant.

3. Planning £0k

Income from non-major planning applications is £155k below budget for the first six months of the year and a deficit of £300k is projected for the year. The actual income for the April to September 2012 is actually £67k higher than that received for the six months last year. Total income is therefore expected to be £72k higher than 2011/12, however, still some £300k below budget. The income projections have assumed the statutory price increase will be effective from 1st January 2013. Full year effect of the price increase is expected to be around Cr £130k and will not therefore offset the current deficit forecast.

Only £78k has been received for major applications this year, compared to £112k for the same period last year. (Although it should be noted that £28k has already been received in October 2012, which is already an increase of £24k from October 2011). Planning officers within the major team have provided a schedule of potential future income that may be received before the year end of approximately £160k, and therefore a shortfall of income totalling £50k is projected from major planning applications.

There is a projected surplus within income from pre-application meetings of £50k, due to higher than budgeted activity levels. Overall, this gives rise to a net projected deficit within income of £300k.

Continuing management action to hold 6.6fte posts vacant, has resulted in a projected underspend within salaries of £255k. There are further projected underspends across supplies and services budgets of £45k,

Summary of variations within Planning:

	£'000
Shortfall within income from non-major applications	300
Shortfall within income from major applications	50
Surplus within income from pre-application meetings	(50)
Management action - underspends within salaries	(255)
Management action - underspends within supplies & services	(45)
Total variation for planning	<u>0</u>

The full year effect of the shortfall of income is likely to be £290k and Officers will need to review the service in order to ensure that there will be a balanced budget in future years.

4. Renewal Cr £12k

There is a projected underspend within salaries of £7k as a result of vacancies occurring during the year and a small variance of Cr £5k within running expenses.

5. Libraries £0k

There is an anticipated overspend on the Library IT budgets of £75k. This is largely due to two projects, the replacement of the Library Management System and the handover of responsibility for maintenance of hardware to Capita. Part of this process involves approximately 100 new PCs being installed for frontline staff, as well costs associated with the transfer of data between the current and incumbent LMS suppliers. All efforts possible are being made to expedite these projects which involve a number of partners and third party contractors.

There is a projected under achievement of income of £100k. The main areas of shortfall are library fines £40k, DVD hire and CD hire £25k, hall and room hire £15k, spoken word hire £10k, and a net £10k across other income streams. Year on year customers are borrowing fewer items overall which significantly affects both hire charges as well as fines.

To partly offset the above income deficit, management action is being taken to reduce expenditure within the libraries acquisition fund, giving a projected underspend of £40k. However, it should be noted that having fewer items available for loan etc is likely to further impact income hire and fines income in the future.

Within the staffing budget, there is a projected underspend of £80k. This is due to holding posts vacant pending Member decisions on potential reductions in opening hours (with consequent staff savings), as well as management action to help balance the overspend on IT budgets and income deficit.

There are also projected underspends within premises budgets of £50k. These comprise of £15k relating to a business rate rebate, £35k relating to lower contract cleaning and electricity costs than previously expected.

There is a further projected underspend within transport costs of £5k. This gives rise to an overall balanced budget across the library service.

Summary of variations within Libraries	£'000
Overspend within IT budgets	75
Income deficit	100
Underspend from libraries acquisition fund	(40)
Underspend within staffing budget	(80)
Underspend within premises costs	(50)
Underspend within transport costs	(5)
Total variation for libraries	0

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive no waivers have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

Resources Portfolio Budget Monitoring Summary

2011/12 Actual £'000	Financial Summary	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
941	Audit	896	814	752	(62)	1	(112)	(128)
120	Comms	115	115	116	1		2	0
369	Organisation & Improvement	158	158	128	(30)	2	(25)	0
	Human Resources							
245	Health & Safety	193	193	195	2		(3)	0
307	HR Management	315	284	287	3		7	0
507	HR Strategy and L & D	446	435	427	(8)		0	0
664	Operational HR	638	715	697	(18)		0	0
	Management and Other (C.Exec)							
560	Management	615	664	532	(132)	3	(188)	0
150	Mayoral	174	174	138	(36)	4		
3,863	Sub Total - Chief Executive's Department	3,550	3,552	3,272	(280)		(319)	(128)
	RESOURCES DEPARTMENT							
	Financial Services & Procurement							
1,539	Exchequer - Payments & Income	1,527	1,533	1,489	(44)	5	(44)	(44)
5,190	Exchequer - Revenue & Benefits	5,607	5,525	5,475	(50)	6	(45)	(99)
0	Finance Director & Other	181	181	181	0		0	0
802	Financial Accounting	551	534	524	(10)		(12)	0
1,811	Management Accounting & Systems	1,655	1,688	1,654	(34)		(12)	0
402	Procurement	368	368	368	0		0	0
4,792	Information Systems & Telephony	4,625	4,825	4,825	0		0	0
	Operational Property Services							
8	CDM	0	0	0	0		0	0
(183)	Client & Facilities Services	(36)	194	209	15		5	0
332	Property Services Planned	126	79	73	(6)		7	0
636	Property Services Reactive	313	164	211	47	7	60	0
3,152	Repairs & Maintenance (All LBB)	2,240	2,742	2,742	0		0	0
	Customer Services & Bromley Knowledge							
238	Bromley Knowledge	183	183	185	2		0	0
1,039	Contact Centre	917	915	954	39	8	14	0
	Legal, Democratic and Registration							
1,651	Democratic Services	1,597	1,555	1,524	(31)	9	(29)	0
359	Electoral	270	310	302	(8)		28	0
1,784	Legal Services	1,476	1,476	1,573	97	10	38	0
(50)	Registration of Births, Deaths & Marriages	(75)	(75)	(72)	3		0	0
132	Customer Service Development	0	0	0	0		0	0
	Facilities							
1,454	Admin. Buildings	1,674	1,674	1,783	109	11	78	60
581	Facilities & Support	476	511	533	22		(9)	0
158	Management and Other	143	143	145	2		22	0
25,827	Sub Total - Resources Department	23,818	24,525	24,678	153		101	(83)
	RENEWAL & RECREATION DEPARTMENT							
	Strategic Property Services							
487	Investment & Non-Operational Property	398	395	547	152	12	178	0
622	Strategic Property Services	623	547	590	43	13	43	0
(4,412)	Investment Income	(5,095)	(5,144)	(4,593)	551	14	578	0
(725)	Other Rental Income - Other Portfolios	(722)	(673)	(683)	(10)		4	0
(4,028)	Sub Total Renewal & Recreation Department	(4,796)	(4,875)	(4,139)	736		803	0
25,662	Total Controllable Departmental Budgets	22,572	23,202	23,811	609		585	(211)
	CENTRAL ITEMS							
6,942	CDC & Non Distributed Costs (Past Deficit etc.)	7,223	7,223	7,223	0		0	0
8,770	Concessionary Fares	9,204	9,204	9,204	0		0	0
41,374	Total Controllable	38,999	39,629	40,238	609		585	(211)
1,442	Total Non Controllable	2,186	2,037	2,037	0		0	0
(21,806)	Total Excluded Recharges	(18,834)	(19,110)	(19,110)	0		0	0
(1,675)	Less: R&M allocated across other Portfolios	(2,228)	(2,277)	(2,277)	0		0	0
725	Less: Rent allocated across other Portfolios	722	673	683	10		(4)	0
20,060	Total Corporate Services / Resources Portfolio	20,845	20,952	21,571	619		581	(211)

Memorandum Item							
Sold Services					15		
Audit (Schools) Trading Account	0	0	(2)	(2)		(2)	0
Health & Safety Schools Trading Account	0	0	0	0		0	0
HR Schools Trading Account	0	0	0	0		0	0
Finance Schools Trading Account	0	(17)	(27)	(10)		0	0
Facilities Schools Trading Account	0	0	0	0		0	0
Reactive Maintenance Schools Trading Account	0	0	0	0		0	0
Total Sold Services	0	(17)	(29)	(12)		(2)	0

Reconciliation of latest approved budget	£'000
Original budget 2012/13	20,845
Recharge of Appointeeship to ECS	(124)
Budget virement on Rental Income	(80)
Carry forwards from 2011/12	
- R & M	352
- Operational HR	35
- IT Services	75
- Design Studio	35
Transfer from Care Services to AP re ICES	6
Transfer of Strategic Property Manager to ECS	(76)
Karen Stevens Catering & Cleaning to ECS	(14)
Allocation of savings from Central Contingency	(102)
Latest Approved Budget for 2012/13	<u>20,952</u>

REASONS FOR VARIATIONS

1. Audit Cr £62k

A reduction in external Audit fees of £113k (£128k next year) is projected as a result of the Audit Commission reducing fees by 40% following consultation, however this is offset by a budget reduction of £50k allocated from the central contingency sum. A virement of £49k was actioned to contribute to the cost of consultancy services relating to the Council Wide Management Review. The effect of taking staff savings early is £50k Cr and other minor items amount to £2k Dr.

2. Organisation & Improvement Cr £30k

An underspend of £30k is currently projected on the staffing budget, mainly as a result of restructuring and changes in staff hours.

3. Management (C.E) Cr £132k

Provision has been made in the accounts for a number of years for potential costs of £156k relating to Bromley's withdrawal from the LGA. We have not been called upon to pay this sum and it is now considered that there is no longer a liability, and that this sum can be written back this year. Additional project staff costs of £64k are offset by additional income of £49k from administrative work for PCTs and the NHS etc. Other net variations total £9k.

4. Mayoral Cr £36k

The projected underspend of £36k mainly relates to a vacant Mayoral Attendant post.

5. Exchequer Services - Payments & Income Cr £44k

The payments and income teams are currently projecting an underspend of £44k. This mainly relates to staffing where staff savings of £49k relating to 2013/14 have been taken early to fund future savings requirements.

6. Exchequer Services - Revenue & Benefits Cr £50k

A net underspend of £50k is projected for Revenues and Benefits, of which £69k is on staffing, mainly as a result of reorganisation savings being taken early and vacancies not being filled in anticipation of the next round of cuts. Additional income of £50k is forecast on court costs recovered following the decision to increase charges last year. These projected underspends are offset by a virement of £49k to the Contact Centre and Democratic Services and additional running expenses etc. of £20k.

7. Operational Property Services - Reactive Dr £47k

The projected overspend of £47k mainly relates to staffing costs £14k, reduction in income £32k and lower charges to capital schemes £21k offset by reduced car allowances £13k Cr and other minor variations £7k Cr. Reactive Services includes two Trading Accounts which are currently forecast to be broadly in line with budget. Operational Property is responsible for Repair and Maintenance budgets across all departments. This is currently forecast to be in line with budget (however see early warnings).

8. Contact Centre Dr £39k

The contact centre is projecting an overspend of £39k. The bulk of this overspend is due to the delay in the finalisation of the North Block. Savings had been anticipated on the amalgamation of receptions, however the delay has resulted in the reception area at Joseph Lancaster Hall still needing provision for an additional 5 months (costing £10k) and the reception at the Old Town Hall still requiring reception services until the end of this financial year (costing £19k). Other minor variations total £10k.

9. Democratic Services Cr £31k

Democratic Services is projecting an overall underspend of £31k. This consists of Democratic Representation £58k Cr and Democratic Support & Response £27k Dr. The variation on Democratic Support & Response relates to 2 posts which were deleted as part of the 12-13 Budget savings. It is anticipated that both posts will be vacated by mid November. The underspend on Democratic Services relates to Members Allowances £31k, Members telephones £23k and other running expenses £4k.

10. Legal Services Dr £97k

The staffing budget within Legal Services is currently projected to overspend by £33k mainly as a result of the non-achievement of turnover. The planned Shared Services with Bexley are not progressing at this point in time, however, new Shared Services are being explored with Medway. Income targets are of concern within this service. £50k additional income was built into the 12-13 budget and there was a shortfall in income in 11-12 of £28k. Whilst charges have been increased where possible, it seems likely that there will be a shortfall in income this year of the order of £64k.

11. Admin Buildings Dr £109k

This variation mainly relates to staff car parking charges. Issues raised during consultation have delayed the implementation of the charges. The budget for car park income is £150k, however only £37k is currently anticipated. Other minor variations total £4k Cr. It is currently forecast that the full year car parking income will be £90k, leaving an ongoing shortfall of £60k.

Strategic Property Services:

12. Investment & Non-Operational Property Dr £152k

Additional utility costs for Surplus Properties are projected at £95k. Security costs at Oakfield, Kingswood and Bellgrove, plus agency fees on South Eden Park and Cowper Lodge are projected to be £86k. These costs are partly offset by extra income of £18k Cr at Anerley Business Centre and reduced Business Rates on Investment Properties of £11k Cr.

13. Strategic Property Services Dr £43k

The projected overspend of £43k mainly relates to staffing costs - Delays in implementing savings for 12-13 are projected at £48k (mainly the Head of V & E) and the non - achievement of turnover £10k. The vacant Asset Management Officer post is saving £40k Cr, however this is offset by agency staff of £20k. Other minor variations total £5k.

14. Investment Income Dr £551k

The overspend of £551k relates to a net shortfall on rental income. A sum of £10m was set aside for investment in property and £1m was built into the 12-13 budget for the expected income. Purchases to date amount to £1.6m and the income currently forecast is £102k, i.e a reduction of £898k. Additional income from other commercial rents, including the Former Town Hall and Biggin Hill, of £429k is helping to reduce the shortfall. Vacancies at Cotmandene Crescent and Anerley Business Centre are costing £82k.

15. Sold Services

Services sold to schools have, for the first time in 2012-13, been separately identified to provide clarity in terms of what is being provided. Current projections indicate that these services will have a minimal effect on the overall budget, however the Schools Finance Trading Account is forecasting additional income of £10k and there is an early warning re the Reactive Maintenance Trading Account (see below). These accounts are shown as memorandum items as the figures are included in the appropriate Service Area in the main report.

EARLY WARNINGS

1) The Glades Rent Share

It is too early in the year to be forecasting an accurate variation against Bromley's income budget of £2.27m Cr for The Glades rent share, however the trend still appears to be downward and the budget is higher this year (due to the inflation built in). Information is received from the managing agent quarterly in arrears and at September we only have information for one quarter of this financial year. This suggests that we will struggle to achieve the budgeted income this year. It is possible that rent income may improve later in the year; however at the present time it would be prudent to report a possible shortfall of say £200-300k. This potential shortfall has been excluded from the financial projections at this stage.

2) Reactive Maintenance Trading Account

Whilst the Reactive Maintenance Trading Account is currently forecast as being on target, there is some concern as to whether the budgeted income is achievable and this is currently being investigated.

3) Repair and Maintenance

Operational Property is responsible for Repair and Maintenance budgets across all departments with a latest approved budget of £2.74m.

Whilst it is currently forecast that R & M will spend in line with budget, last year several complaints were received from staff on the 1st floor of St Blaise regarding the air quality/circulation. The problem was referred to Occupational Health who undertook an investigation and produced a report that recommended that a mechanical ventilation system needed to be introduced to improve the air exchange. This report has been referred to Operational Property so that they can determine its priority within the planned maintenance budget that they hold. The cost of this work is estimated at £50-75k.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be

exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report report to the Executive no waivers have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, the following virements have been actioned.

Approved by Director under Delegated Powers

1) Virement of £17k from Repairs & Maintenance Reactive to Property Services Reactive Management Team to fund upgrading of 2 Building Maintenance Technical Officers.

2) Rectify 12/13 savings pressure in legal - re-align budgets to address balance elsewhere within service.

	£'000
Legal salaries	23.7
Legal - training, fees, travel exps	(23.7)

3) Virement of £49k from Revenues & Benefits to Contact Centre and Democratic Services to fund budget reductions allocated from the central contingency sum.

Allocation of Contingency Provision for 2012/13

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	£
Environmental Services						
Net loss of income from proposed sale of car parks	297,000			297,000	297,000	0
Street Environment contract	200,000			200,000	200,000	0
Renewal and Recreation						
Potential loss of income re land charges and building control (change in regulations)	162,000	150,000		12,000	162,000	(2)
Planning appeals - change in legislation	150,000			150,000	150,000	0
Care Services						
* New growth pressures - Childrens placements & children with disabilities	570,000			570,000	570,000	0
NHS funding to support social care (2012/13 allocation):						
- expenditure	1,435,000			1,435,000	1,435,000	0
- income	Cr 1,435,000			Cr 1,435,000	Cr 1,435,000	0
NHS funding to support social care (2011/12 carry forward)						(4)
- expenditure		123,782		1,467,608	1,591,390	(3)
- income		Cr 123,782		Cr 1,467,608	Cr 1,591,390	Cr 1,591,390
Public Health expenditure			210,000	0	210,000	210,000
Public Health funding			Cr 210,000	0	Cr 210,000	Cr 210,000
*General						
Provision for risk/uncertainty	2,000,000			2,000,000	2,000,000	0
Provision for risk/investment relating to volume and cost pressures	635,000			635,000	635,000	0
Provision for uncertainty relating to grant income	565,000			565,000	565,000	0
Further increases in fuel costs	450,000			450,000	450,000	0
General Inflation	441,000			441,000	441,000	0
Provision for uncertain items	290,000			290,000	290,000	0
Grants to voluntary organisations	275,000			275,000	275,000	0
Other grant reductions	249,000			249,000	249,000	0
Carbon tax	166,000			166,000	166,000	0
National Insurance - reduction to contracted out rates	100,000			100,000	100,000	0
Review of Corporate Services to be allocated	Cr 103,000	Cr 103,000		0	Cr 103,000	0
Other changes	154,000			154,000	154,000	0
Total General Items	6,601,000	47,000	0	6,554,000	6,601,000	0
Grants included within Central Contingency Sum						
Early intervention grant						
Grant related expenditure	400,000	400,000		0	400,000	(5)
Early intervention grant KS2 writing moderation work						
Grant related expenditure				14,223	14,223	14,223
Grant related income				Cr 14,223	Cr 14,223	Cr 14,223
SEND Pathfinder Grant						
Grant related expenditure	150,000	165,000		0	165,000	(7)
Grant related income	Cr 150,000	Cr 165,000		0	Cr 165,000	Cr 15,000
Lead Local Flood Authorities						
Grant related expenditure	253,000	220,000		33,000	253,000	(2)
Step Up to Social Work Programme						
Grant related expenditure		465,333			465,333	(1)
Grant related income		Cr 465,333			Cr 465,333	Cr 465,333
Outer London Fund 2						
Grant related expenditure		126,500		0	126,500	(2)
Grant related income		Cr 126,500		0	Cr 126,500	Cr 126,500
Council Tax Support Grant						
Grant related expenditure		84,000		0	84,000	(6)
Grant related income		Cr 84,000		0	Cr 84,000	Cr 84,000
Tackling Troubled Families Grant						
Grant related expenditure		170,121		265,079	435,200	(6)
Grant related income		Cr 170,121		Cr 265,079	Cr 435,200	Cr 435,200
Tackling Troubled Families Co-ordinator Grant						
Grant related expenditure		100,000		0	100,000	100,000
Grant related income		Cr 100,000		0	Cr 100,000	Cr 100,000
Total Grants	653,000	620,000	0	33,000	653,000	0
GRAND TOTAL	7,254,000	667,000	0	6,587,000	7,254,000	0

Notes:

- (1) Approved by the Executive 14th December 2011
- (2) Approved by the Executive on 11th April 2012
- (3) £72,782 approved by the Executive 23rd May 2012 (NHS Social Care Investment Plan)
£51,000 approved by the Executive 20th June 2012 (Childrens Social Care Invest to Contain Proposal)
- (4) Carry Forward Approved by the Executive 20th June 2012
- (5) Approved by the Executive 25th July 2012
- (6) Approved by the Executive 12th September 2012
- (7) Approved by the Executive 24th October 2012

* No variation has been assumed at this stage on the basis that any underspend arising would be set aside as an Income Risk Reserve or a contribution to the Insurance Fund, as detailed in section 3.1 of the report. Any final utilisation of these monies would require approval at a future meeting of the Executive.

APPENDIX 4

Description	2012/13 Latest Approved Budget £'000	Variation To 2012/13 Budget £'000	Potential Impact in 2013/14
Residential and Domiciliary Care - Older People	20,111	5	The full year effect of the net overspend in domiciliary and residential care is forecast to be £263k in 2013/14 but this is offset by the full year effect of expected savings of approximately £1,200k arising from the tendering of domiciliary care contracts.
Residential and Domiciliary Care - Physical Disabilities	3,508	88	The current full year effect is an underspend of £13k for physically disabled services. There is an invest to save initiative currently being undertaken to mitigate any future growth in this area.
Residential, Supported Living, Shared Lives - Learning Disabilities	25,697	(1,411)	The current projected net underspend on residential, supported living and shared lives in the current year is forecast to produce a full year underspend of £1,100k in 2013/14, based on 2012/13 activity only (i.e. doesn't include planned activity in future years). This will be offset by savings required to be made in the 2013/14 budget.
Residential Care, Supported Living, Flexible Support, Direct Payments - Mental Health	2,989	(44)	The full year effect of the 2012/13 underspend is forecast to be Cr £44k based on current year activity.
Housing Needs - Temporary Accommodation (net of HB)	254	531	The full year effect of the projected overspend is forecast to be £1,047k in 2013/14. This is based on projected activity to the end of March 2013 and includes assumptions on savings arising from invest to save initiatives. It does not include any projected further growth in numbers beyond the end of March 2013.
Parking (net controllable)	(6,722)	290	The current full year effect for parking is a deficit of £400k. Using the data available off street parking income is expected to be £280k below budget and on street parking is projected to be £280k below budget. This deficit is being offset by savings from management action of £133k from reduced running expenses including contract costs, including extra income from an increase in parking contraventions (Cr £166k). There is also a small projected overspend of £29k within enforcement staffing budgets. The balance of the deficit is being offset by savings from the waste management budget. The full year effect of the deficit projected for parking will be balanced by a combination of additional income generated from the extra parking capacity being provided within Bromley Town Centre following the closure of Westmoreland Road Car Park, and the balance will be funded from the underspend within waste management.
Waste Management (net controllable)	16,453	(290)	The current full year effect for waste management is an underspend of £300k. Tonnage was 1,300 tonnes below budget for April and a further 850 tonnes below budget for the next five months to 30th September. For the purposes of a full year projection, it is estimated that there will be a further 1,630 variation for the balance of the year.

APPENDIX 4

Description	2012/13 Latest Approved Budget £'000	Variation To 2012/13 Budget £'000	Potential Impact in 2013/14
Waste Management (net controllable) continued			It is not known whether this will continue into 2013/14 and beyond. At the moment part of the underspend will offset the shortfall of income from parking for 2013/14 and beyond. The tonnage volume will be closely monitored and any variations reported to Members.
Highways incl London Permit Scheme (Street Lighting)	1,382	(250)	It is currently estimated that there will be a full-year effect of Cr £200k within Highways (including the London Permit Scheme). This relates to a projected underspend within Street Lighting electricity costs, largely following unit price reductions of over 25% between March and April 2012. As of writing, 2013-14 unit rates are unknown, and therefore this estimate is based upon current year information.
Planning & Renewal (net controllable)	2,028	(12)	The current full year effect for planning is a deficit of £290k. Income from planning applications has reduced due to the economic climate and a shortfall is projected of £350k for 2012/13. Savings from management action including holding posts vacant and achieving extra income from pre-application meetings has meant that the deficit has been more offset. Central Government has given an indication that the statutory fees are likely to increase by 15% from January 2013 and this has been built into the year end projections. The level of shortfall is likely to continue into 2013/14 and therefore management will have to review the service to ensure that the budget will balance in future years.
Education Commissioning & Business Services	811	(368)	Restructuring took place in 2012/13 in Education to meet savings targets. The full amount (£410k) was saved. Due to a delay in implementation there is a full year effect of the restructuring meaning an additional £525k saving will be available in 2013/14 to mitigate the impact of LACSEG changes.
School Improvement	523	(203)	The School Improvement service was also part of the restructure of the EDC, and should generate an additional £325k saving. As above, this will help meet savings required due to LACSEG changes.
Audit	814	(62)	A reduction in external Audit fees of £128k is projected in 2013/14, as a result of the Audit Commission reducing fees by 40% following consultation, however this is offset by an ongoing budget reduction of £50k allocated from the central contingency sum. The effect of taking staff savings early is Cr £50k.
Exchequer Services - Payments & Income	1,533	(44)	The full year effect of Cr £44k mainly relates to staff savings taken early to fund future savings requirements.
Exchequer Services - Revenue & Benefits	5,525	(50)	The full year effect of Cr £99k relates to additional income of £50k forecast on court costs recovered, following the decision to increase charges. Staff savings of £49k are forecast, mainly as a result of taking savings early.
Admin Buildings	1,674	109	This variation relates to staff car parking charges. Issues raised during consultation have delayed the implementation of the charges. The budget for car park income is £150k, however the projected full year income is £90k, leaving a shortfall of £60k.

SECTION 106 RECEIPTS

Section 106 receipts are monies paid to the Council by developers as a result of the grant of planning permission where works are required to be carried out or new facilities provided as a result of that permission (e.g. provision of affordable housing, healthcare facilities & secondary school places). The sums are restricted to being spent only in accordance with the agreement concluded with the developer.

The major balances of Section 106 receipts held by the Council were as follows:

31 March				Transfers	
2012	Service	Income	Expenditure	to / from	September
£'000		£'000	£'000	Capital	2012
				£'000	£'000
Revenue					
521	Highway Improvement works	-	53	-	468
5	CCTV	-	-	-	5
30	Road Safety Schemes	15	-	-	45
95	Local Economy & Town Centres	-	-	-	95
53	Parking	-	(5)	-	58
40	Community Facilities (to be transferred to capital)	-	-	-	40
81	Education	-	-	(81)	-
489	Healthcare Services	-	-	-	489
35	Landscaping	-	-	-	35
10	Other	-	-	-	10
1,359		15	48	(81)	1,245
Capital					
43	Local Economy & Town Centres	-	27	-	16
485	Education	-	26	81	540
2,318	Housing	2,276	1,219	-	3,375
844	Community Facilities	-	70	-	774
3,690		2,276	1,342	81	4,705
5,049		2,291	1,390	-	5,950