

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 SVCES 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 SVCES 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)

Memorandum Item							
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
2012/13 Budget Adjustments	
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.

