

2013/14 Actuals £'000	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION, CARE & HEALTH SERVICES DEPARTMENT								
Adult Social Care								
18	AIDS-HIV Service	0	0	0	0		0	
30,925	Assessment and Care Management	25,475	25,475	26,891	1,416	1	0	1,416
3,897	Direct Services	3,269	3,269	3,269	0		0	
2,868	Learning Disabilities Care Management	2,052	2,052	2,360	308	1	0	308
1,694	Learning Disabilities Day and Short Breaks Service	2,100	2,100	2,100	0		0	
988	Learning Disabilities Housing & Support	1,562	1,562	1,562	0		0	
40,390		34,458	34,458	36,182	1,724		0	1,724
Operational Housing								
4,571	Housing Needs	4,576	4,576	4,576	0	2	0	493
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	
Cr 778	Housing Benefits	Cr 1,662	Cr 1,662	Cr 1,662	0		0	
3,792		2,913	2,913	2,913	0		0	493
Strategic and Business Support Services								
1,945	Strategic & Business Support	2,198	2,198	2,198	0		0	
331	Learning & Development	394	394	394	0		0	
2,276		2,592	2,592	2,592	0		0	0
Children's Social Care								
14,413	Care and Resources	17,238	17,238	17,472	234	3	0	300
1,544	Safeguarding and Quality Assurance	1,402	1,402	1,364	Cr 38		0	0
3,373	Safeguarding and Care Planning	3,499	3,499	3,499	0		0	0
3,615	Referral and Assessment	3,413	3,413	3,568	155		0	155
765	Bromley Youth Support Programme	817	817	817	0		0	0
4,025	Children's Disability Service	2,433	2,433	2,433	0		0	0
27,735		28,802	28,802	29,153	351		0	455
Commissioning								
3,311	Commissioning	3,105	3,105	3,105	0		0	0
0	Information & Early Intervention	1,278	1,278	1,278	0		0	0
22,327	Learning Disabilities	24,311	24,311	24,742	431	1	0	500
4,776	Mental Health Services	5,644	5,644	5,929	285	1	0	285
2,843	Supporting People	2,060	2,060	2,060	0		0	0
0	NHS Support For Social Care							
10,299	- Expenditure	4,548	4,548	4,548	0		0	0
Cr 10,299	- Income	Cr 4,548	Cr 4,548	Cr 4,548	0		0	0
33,257		36,398	36,398	37,114	716		0	785
Public Health								
12,229	Public Health	12,230	12,230	12,133	Cr 97		0	0
Cr 12,601	Public Health - Grant Income	Cr 12,601	Cr 12,601	Cr 12,504	97		0	0
Cr 372		Cr 371	Cr 371	Cr 371	0		0	0
107,078	TOTAL CONTROLLABLE FOR ECHS DEPARTMENT	104,792	104,792	107,583	2,791		0	3,457
ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT								
Environmental Services - Housing								
179	Housing Improvement	148	148	148	0		0	0
179	TOTAL CONTROLLABLE FOR E & CS DEPT	148	148	148	0		0	0
107,257	TOTAL CONTROLLABLE BUDGET FOR THE PORTFOL	104,940	104,940	107,731	2,791		0	3,457
2,073	TOTAL NON CONTROLLABLE	1,483	1,483	1,502	19		0	0
9,883	TOTAL EXCLUDED RECHARGES	11,247	11,247	11,247	0		0	0
119,213	CARE SERVICES PORTFOLIO TOTAL	117,670	117,670	120,480	2,810		0	3,457

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MEMORANDUM ITEMS								
	Invest to Save projects: Savings							
30	Dementia Investment Plan	Cr 250	Cr 250	Cr 237	13			0
216	PD Investment Plan	Cr 250	Cr 250	Cr 66	184			0
246	Invest to Save projects	Cr 500	Cr 500	Cr 303	197		0	0
	Trading Accounts							
-33	Trading Account - Performance & Research	0	0	0	0		0	0
	Sub Total Trading Accounts	0	0	0	0		0	0

REASONS FOR VARIATIONS**1. Adult Social Care and Commissioning - Care-Related Costs - Dr £2,440k**

	£'000
<u>Adult Social Care:</u>	
Assessment & Care Management (18-65 and 65+)	1,416
Learning Disabilities Care Management (18-65 and 65+)	308
	<u>1,724</u>
<u>Commissioning:</u>	
Learning Disabilities (18-65 and 65+)	431
Mental Health (18-65 and 65+)	285
	<u>716</u>
 Total Projected Overspend	 <u><u>2,440</u></u>

A new Adult Social Care "Service Reporting Code of Practice" (SERCOP) was implemented with effect from 1st April 2014. This had significant implications for budget management and financial reporting structures. In addition, "Zero Based Review" data collection changes were effective from the same date.

The main areas of change have included re-classification of all adult social care clients according to their Primary Support Reason (PSR), including those clients over 65 who were all previously classified as "Older People" irrespective of their primary care need. Further, support now has a greater degree of classification between long term and short term support.

The new PSRs include: Physical Support; Sensory Support; Support with Memory and Cognition; Learning Disability Support; Mental Health Support. There is a further category of Social Support which includes support to Carers.

There are still some issues to be resolved in relation to the implementation of the above changes, particularly final changes to some clients' PSRs and the consequent adjustments to budgets and projections.

These changes have had a significant impact on information available to monitor the budgets. Projections have been calculated based on the distribution of clients across PSRs at a point in time. Similarly, the budgets were calculated based on the profile of clients across the new PSRs in April 2014. Both of these sets of information require further work and, as such, the above projections should be viewed only in total, with the expectation that the pattern of overspend will shift between individual budget heads in future months.

The projected overspend of £2.44m arises from the full year effect of 2013/14 activity combined with projected new activity in 2014/15 and 2014/15 budget savings, including £1.45m saving from the capping of Adult Social Care costs.

2. Operational Housing - Dr 0k

Temporary Accommodation budgets are currently forecast to overspend the latest approved budget by £765k (full year effect £1,258k). Increased client numbers (net increase of 15 per month during 2013/14, inclusive of welfare reform) and rising unit costs are evident and the projections assume the trend continues during this financial year. This increase has been noticeable across all London Boroughs and is the result of the pressures of rent and mortgage arrears coupled with a reduction in the numbers of properties available for temporary accommodation. There are high levels of competition and evidence of 'out bidding' between London boroughs to secure properties and this has contributed towards the high costs of nightly paid accommodation.

The full year effect of the projected overspend is currently anticipated to be a pressure of £1.2m in 2015/16. However, this only takes account of projected activity to the end of March 2015 and does not include any projected further growth in numbers beyond that point.

Budgets will continue to be monitored closely during the financial year. Officers are currently modelling different scenarios to quantify the effect of further possible initiatives and also the most appropriate deployment of existing initiatives to maximise the financial benefit.

There is £1.2m held in the central contingency earmarked for the impact of welfare reform which has not been drawn down. It is assumed that the overspend pressure will be drawn down at some stage and therefore the outturn is a net zero.

3. Children's Social Care - Dr £351k

The main areas of under / overspending are:

Placements - Dr £234k

The children's placement budget is currently projected to overspend by £235k, based on current numbers of children being looked after, plus an assumption for new children having to be looked after during the year.

No Recourse to Public Funds - Dr £155k

The cost to Bromley for people with no recourse to public funding significantly exceeded the budget established for these costs in 2013-14 and the trend is expected to continue during the current financial year, with a current projected overspend of £155k being reported.

Other miscellaneous budgets - Cr £38k

An SLA with an external provider was not renewed in 2013-14, resulting in a continuing underspend of £38k.

EARLY WARNINGS

Deprivation of Liberty Safeguards

A recent Supreme Court judgement relating to Deprivation of Liberty Safeguards and the deprivation of liberty of individuals has potentially significant financial implications. The background was outlined in a report to the Executive on 10th June 2014. Once further details of the judgement and its consequences are available and further mapping work has been carried out, likely cost implications will become clearer and will be included in a future report.

Directors Comments

The paper details the pressures apparent in the Care budget. Members will note the very particular pressures on the adult social care budget, and actions continue to contain these costs. However, the numbers of clients in bed-based care remains around 100 over budget, exerting a considerable pressure on the system.

The details of contingencies for housing are detailed in paragraph 3.2 and these were identified last year. Paragraph 3.5 identifies the unfounded costs placed upon the Council by Central Government both for those with no recourse to public funds and the very considerable pressures on our placement budgets following the transfer of responsibilities from central government to the boroughs. As in previous years, senior officers are looking across their budgets for alternative savings but these are increasingly hard to find.

Waiver of Financial Regulations:

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

(a) There were 5 contract waivers agreed for the continuation of a current contracts of less than £50k each and 2 contract waivers agreed for the continuation of current contracts of more than £50k each.

(b) There were 5 waivers agreed for placements over £50k in Adult Social Care.

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" are included in financial monitoring reports to the Portfolio Holder. Since the last report to the Executive, no virements have been actioned.

Description	2014/15 Latest Approved Budget £'000	Variation to 2014/15 Budget £'000	Potential Impact in 2015/16
Housing Needs - Temporary Accommodation	4,576	0	The full year effect of the projected overspend is currently anticipated to be a pressure of £493k in 2015/16. This assumes that the current in year overspend of £765k is drawn down from contingency to offset the in year pressures. However, this only takes account of projected activity to the end of March 2015, and does not include any projected further growth in numbers beyond that point. Officers are currently modelling different scenarios to quantify the effect of further possible initiatives and also the most appropriate deployment of existing initiatives to maximise the financial benefit.
Adult Care Placements	48,264	2,440	The net overspend on adult care placements is forecast to produce a full year overspend of £2,509k, based on activity to 31/3/15 only (i.e. doesn't include changes to activity levels in future years).
Children's Social Care - Placements	12,800	235	The full year effect of the current projection is calculated at a £300k overspend. Officers continue to work towards increasing the number of inhouse foster carers so that expensive external placements can be avoided.
Children's Social Care - No Recourse to Public Funds	382	155	The full year effect of clients who have no recourse to public funds and Bromley are having to pay for has been calculated at £155k based on current numbers after the increase in budget has been taken into account. The Welfare Reform changes currently being implemented may impact on this amount further. Officers will monitor the position and report any changes as part of the budget monitoring process during the year.

**LATEST APPROVED BUDGET 2014/15
Care Services Portfolio**

BUDGET VARIATIONS

	£'000
2014/15 Original Budget	117,670
Local Reform and Community Voices - IMHA (Exec 2/4/14):	
- grant related expenditure 2014/15	64
- grant related expenditure 2014/15	Cr 64
Local Reform and Community Voices - DOLS (Exec 10/6/14):	
- grant related expenditure 2014/15	24
- grant related expenditure 2014/15	Cr 24
Total Variations	0
2014/15 Latest Approved Budget	117,670