

Portfolio	2014/15 Original Budget £'000	Budget Variations allocated in year # £'000	2014/15 Latest Approved Budget £'000	2014/15 Projected Outturn £'000	Variation £'000	Variation previously reported to Exec 16.07.14 £'000
Care Services	104,941	11	104,952	107,842	2,890	2,791
Education (incl. Schools' Budget)	4,649	297	4,946	5,315	369	320
Environment	32,699	315	33,014	33,221	207	0
Public Protection & Safety	2,526	0	2,526	2,526	0	0
Renewal and Recreation	8,370	329	8,699	8,889	190	260
Resources	39,218	913	40,131	40,826	695	1,060
Total Controllable Budgets	192,403	1,865	194,268	198,619	4,351	4,431
Capital and Insurances (see note 2)	16,827	116	16,943	16,943	0	
Non General Fund Recharges	Cr 916	0	Cr 916	Cr 916	0	
Total Portfolios (see note 1)	208,314	1,981	210,295	214,646	4,351	4,431
Central Items:						
Interest on General Fund Balances	Cr 1,591	0	Cr 1,591	Cr 1,591	0	0
Contingency Provision (see Appendix 3)	11,850	Cr 427	11,423	9,403	Cr 2,020	Cr 578
Other central items						
Reversal of Net Capital Charges (see note 2)	Cr 15,735	0	Cr 15,735	Cr 15,735	0	0
Contribution to Economic Development & Investment Fund and Other Reserves	8,004		8,004	8,004	0	0
Levies	1,423	0	1,423	1,423	0	0
Total other central items	Cr 6,308	0	Cr 6,308	Cr 6,308	0	0
Total All Central Items	3,951	Cr 427	3,524	1,504	Cr 2,020	Cr 578
Bromley's Requirement before balances	212,265	1,554	213,819	216,150	2,331	3,853
Carry Forwards from 2013/14 (see note 3)	0	Cr 1,147	Cr 1,147	0	1,147	1,147
Carry Forward from 2013/14 Delegated Authority - R&M		Cr 407	Cr 407	0	407	407
Adjustment to Balances	0	0	0	Cr 3,771	Cr 3,771	Cr 5,293
Revenue Support Grant	Cr 42,031	0	Cr 42,031	Cr 42,031	0	
Business Rates Retention	Cr 35,265	0	Cr 35,265	Cr 35,265	0	
New Homes Bonus	Cr 5,040	0	Cr 5,040	Cr 5,154	Cr 114	Cr 114
C Tax Freeze Grant	Cr 1,381	0	Cr 1,381	Cr 1,381	0	
Local Services Support Grant	Cr 144	0	Cr 144	Cr 144	0	
Collection Fund Surplus	Cr 2,964	0	Cr 2,964	Cr 2,964	0	
Bromley's Requirement	125,440	0	125,440	125,440	0	0
GLA Precept	37,133	0	37,133	37,133	0	
Council Tax Requirement	162,573	0	162,573	162,573	0	0

Budget Variations allocated to portfolios in year consists of:

	£'000
1) Carry forwards from 2013/14 (see note 3)	1,554
2) Allocations from the central contingency provision (see Appendix 3)	427
	<u>1,981</u>

1) **NOTES**

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2014/15 Original Budget £'000	Budget Variations allocated in year # £'000	2014/15 Latest Approved Budget £'000	2014/15 Projected Outturn £'000	Variation £'000	Variation previously reported to Executive £'000
Education Care & Health Services	130,800	318	131,118	134,390	3,272	3,111
Environmental & Community Services	54,240	601	54,841	55,219	378	260
Chief Executive's Department	23,274	1,062	24,336	25,037	701	1,060
	<u>208,314</u>	<u>1,981</u>	<u>210,295</u>	<u>214,646</u>	<u>4,351</u>	<u>4,431</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 2013/14**

Carry forwards from 2013/14 into 2014/15 totalling £1,554k 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 2013/14" report.

Care Services Portfolio Budget Monitoring Summary

2013/14 Actuals	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	0
30,925	Assessment and Care Management	25,475	24,714	26,753	2,039	1	1,416	1,896
3,897	Direct Services	3,269	3,269	3,259	Cr 10		0	0
2,868	Learning Disabilities Care Management	2,052	3,002	3,357	355	1	308	370
1,694	Learning Disabilities Day and Short Breaks Service	2,100	2,096	1,996	Cr 100	2	0	Cr 100
988	Learning Disabilities Housing & Support	1,562	1,383	1,263	Cr 120	3	0	Cr 120
40,390		34,458	34,464	36,628	2,164		1,724	2,046
	Operational Housing							
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 778	Housing Benefits	Cr 1,662	Cr 1,662	Cr 1,662	0		0	0
4,571	Housing Needs	4,576	4,576	4,576	0	4	0	469
3,792		2,913	2,913	2,913	0		0	469
	Strategic and Business Support Service							
1,945	Strategic & Business Support	2,198	2,169	2,102	Cr 67	5	0	0
331	Learning & Development	394	423	423	0		0	0
2,276		2,592	2,592	2,525	Cr 67		0	0
	Children's Social Care							
14,413	Care and Resources	17,238	17,238	17,565	327		234	300
1,544	Safeguarding and Quality Assurance	1,402	1,402	1,364	Cr 38		Cr 38	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	3,666	253	6	155	415
765	Bromley Youth Support Programme	817	817	817	0		0	0
4,025	Childrens Disability Service	2,433	2,433	2,433	0		0	0
27,735		28,802	28,802	29,344	542		351	715
	Commissioning							
3,311	Commissioning	3,105	3,156	3,138	Cr 18		0	0
0	Information & Early Intervention	1,278	1,226	1,226	0		0	0
22,327	Learning Disabilities	24,311	24,316	24,438	122	1	431	1,064
4,776	Mental Health Services	5,644	5,644	5,876	232	1	285	255
2,843	Supporting People	2,060	2,061	1,976	Cr 85	7	0	Cr 85
10,299	NHS Support for Social Care							
	- Expenditure	4,548	5,496	5,496	0		0	0
Cr 10,299	- Income	Cr 4,548	Cr 5,496	Cr 5,496	0		0	0
33,257		36,398	36,403	36,654	251		716	1,234
	Public Health							
12,229	Public Health	12,230	12,230	12,095	Cr 135		Cr 97	0
Cr 12,601	Public Health - Grant Income	Cr 12,601	Cr 12,601	Cr 12,466	135		97	0
Cr 372		Cr 371	Cr 371	Cr 371	0		0	0
107,078	TOTAL CONTROLLABLE CARE SERVICES ECHS	104,792	104,803	107,693	2,890		2,791	4,464
2,398	TOTAL NON CONTROLLABLE	1,783	1,772	1,788	16		19	0
9,825	TOTAL EXCLUDED RECHARGES	10,893	10,893	10,893	0		0	0
119,301	TOTAL CARE SERVICES ECHS DEPARTMENT	117,468	117,468	120,374	2,906		2,810	4,464
	Environmental Services Dept - Housing							
179	Housing Improvement	148	148	148	0		0	0
179	TOTAL CONTROLLABLE FOR ENV SVCES DEPT	148	148	148	0		0	0
Cr 325	TOTAL NON CONTROLLABLE	Cr 300	Cr 300	Cr 300	0		0	0
58	TOTAL EXCLUDED RECHARGES	354	354	354	0		0	0
Cr 88	TOTAL FOR ENVIRONMENTAL SVCES DEPT	202	202	202	0		0	0
119,213	TOTAL CARE SERVICES PORTFOLIO	117,670	117,670	120,576	2,906		2,810	4,464

Memorandum Item							
	Invest to Save projects: Savings						
30	Dementia Investment Plan	Cr 250	Cr 250	Cr 237	13	13	0
216	PD Investment Plan	Cr 250	Cr 250	Cr 66	184	184	0
246	Invest to Save projects	Cr 500	Cr 500	Cr 303	197	197	0
	Trading Accounts						
Cr 33	Trading Account - Performance & Research	0	0	Cr 34	Cr 34	0	0
Cr 33	Sub Total Trading Accounts	0	0	Cr 34	Cr 34	0	0

Reconciliation of Latest Approved Budget £'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

Adult Social Care Investment Proposal - Demand Management (Exec 22/7/14)

- expenditure 250
- contribution from earmarked reserve Cr 250

New Grant - Staying Put Implementation Grant

- expenditure 36
- income Cr 36

Carry Forwards:

Social Care funding via the CCG under s256 (Invest to Save)

- expenditure 449
- income Cr 449

Impact of Care Bill / Adult Social Care Gateway Review

- expenditure 249
- income Cr 249

Tackling Troubled Families

- expenditure 764
- income Cr 764

Public Health weight management pilot

- expenditure 98
- income Cr 98

Items to be Requested this Cycle:

Carry forward - Social Care Funding via the CCG under s256 (Invest to Save)

- expenditure 40
- income Cr 40

Welfare Reform Implementation Funding

- expenditure 66
- income Cr 66

Public Health s256

- expenditure 44
- income Cr 44

Public Health Transition Funding

- expenditure 42
- income Cr 42

Total Variations

0

2014/15 Latest Approved Budget

117,670

REASONS FOR VARIATIONS

1. Adult Social Care and Commissioning - Care-Related Costs - Dr £2,748k

	£'000
<u>Adult Social Care:</u>	
Assessment & Care Management (18-65 and 65+)	2,039
Learning Disabilities Care Management (18-65 and 65+)	355
	<u>2,394</u>
<u>Commissioning:</u>	
Learning Disabilities (18-65 and 65+)	122
Mental Health (18-65 and 65+)	232
	<u>354</u>
Total Projected Overspend	<u>2,748</u>

As reported last cycle, 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 continue to 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 £2.75m 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. Learning Disabilities Day and Short Breaks Service - Cr £100k

The learning disabilities short breaks service at Widmore Road has been running since 2013, when the 2 former respite units at Bromley Road and Tugmutton Close closed. The combining of the 2 facilities on to one new site has enabled staffing efficiencies to be made and a projected underspend of £100k is now reported as the service starts to bed down on the new site.

3. Learning Disabilities Housing and Support - Cr £120k

Some minor restructuring of the service, including the deregistration of the residential units at St Blaise and Orchard Grove and changes around the management of the service have resulted in a projected underspend of £120k.

4. Operational Housing - Dr £0k

Temporary Accommodation budgets are currently forecast to overspend by £653k. 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 £1,122k 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. It is assumed that budget will be drawn-down from this to cover the overspend, so no variation is being reported.

There will be a further revenue contribution to Capital as part of the year end closing of accounts for 2014/15, due to increased costs (overspend) associated with the Bellegrove conversion of £49k. This is offset by one off in-year underspends on various staffing budgets due to delays in the recruitment and appointment of staff as part of the restructure.

5. Strategic and Business Support - Cr £67k

A combination of part year vacancies and projected net additional income from schools on the Performance and Research trading account is generating a forecast underspend of £67k.

6. Children's Social Care - Dr £542k

The projected overspend in Children's Social Care has increased this month with the main areas of under / overspending being:

Placements - Dr £236k

The children's placement budget is currently projected to overspend by £236k, based on current numbers of children being looked after, plus an assumption for new children having to be looked after during the year. This is no change from the figure projected last time.

No Recourse to Public Funds - Dr £253k

The cost to Bromley for people with no recourse to public funding significantly exceeded the budget established for these costs in 2013-14. Additional budget was moved into this area for 2014/15, however the trend of increased costs is continuing during the current financial year, with a current projected overspend of £253k now being reported.

Leaving Care Clients - 16/17 year olds - Dr £92k

Expenditure relating to leaving care services for 16 and 17 year old's is projected to overspend due to increased numbers of children leaving care recently. This could further increase if more children within this age group leave care requiring services.

Other miscellaneous budgets - Cr £38k

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

7. Supporting People - Cr £85k

The projected underspend of £85k arises from inflation-related savings and the effect of re-tendering / extending contracts at a reduced cost.

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. There is already evidence of a significantly higher number of assessments than in previous years. 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.

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 10 contract waivers agreed for the continuation of current contracts / new contracts of less than £50k each and 2 contract waivers agreed for the continuation of current contracts of more than £50k each.
- (b) There was 1 waiver 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.

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								
Education Division								
Cr 401	Adult Education Centres	Cr 602	Cr 602	Cr 303	299	1	230	299
275	Alternative Education and Welfare Service	104	104	104	0		0	0
412	Schools and Early Years Commissioning & QA	565	565	565	0		0	0
4,451	SEN and Inclusion	4,772	4,772	4,772	0	2	0	0
213	Strategic Place Planning	255	255	255	0		0	0
11	Workforce Development & Governor Services	11	11	11	0		0	0
Cr 2,957	Education Services Grant	Cr 2,732	Cr 2,732	Cr 2,732	0	3	0	675
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	4	0	0
160	Other Strategic Functions	158	158	158	0		0	0
0	Early Years	0	0	0	0		0	0
0	Primary Schools	0	0	0	0		0	0
0	Secondary schools	0	0	0	0		0	0
0	Special Schools & Alternative Provision	0	0	0	0		0	0
0	Post-16 Provision	0	0	0	0		0	0
749		1,038	1,038	1,337	299		230	974
Children's Social Care								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,468	1,558	90	5	90	0
1,889	Referral and Assessment Children's Centres	2,143	2,440	2,420	Cr 20	6	0	0
3,679		3,611	3,908	3,978	70		90	0
4,428	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	4,649	4,946	5,315	369		320	974
9,221	Total Non-Controllable	5,096	5,117	5,113	Cr 4		Cr 4	0
3,802	Total Excluded Recharges	3,386	3,386	3,386	0		0	0
17,451	TOTAL EDUCATION PORTFOLIO - ECHS	13,131	13,449	13,814	365		316	974
Memorandum Item								
Sold Services								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 23	0	}		0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 39	0			0
	Behaviour Support (Secondary) (RSG Funded)	Cr 61	Cr 61	Cr 61	0			0
	Workforce Development (DSG/RSG Funded)	Cr 8	Cr 8	Cr 8	0			0
	Governor Services (DSG/RSG Funded)	Cr 7	Cr 7	Cr 7	0			0
	Community Vision Nursery (RSG Funded)	0	0	0	0			0
	Blenheim Nursery (RSG Funded)	0	0	0	0			0
	Business Partnerships (RSG Funded)	0	0	0	0			0
	Total Sold Services	Cr 138	Cr 138	Cr 138	0		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2014/15

13,131

SEN Reform Grant Income

Cr 382

SEN Reform Grant Expenditure

382

Children's Centres carry forward

297

Non-controllable carry forward re Adult Education property

21

Latest Approved Budget for 2014/15

13,449

REASONS FOR VARIATIONS

1. Adult Education - Dr £299k

A continuation of the significant overspend in 2013/14 is projected for the Adult Education Service. A total reduction in grant, tuition fee and other income of £317k has not been matched by the same level of reductions in the running costs of the service.

	Variations	
		£'000
Skills Funding Agency grant		178
Tuition fee income		165
Lettings and other fees and charges	Cr	26
Business rates and other premises costs		25
Supplies and services	Cr	36
Staffing	Cr	7
		299

2. SEN and Inclusion - Dr £0k

To help authorities with the amount of work required to convert existing Statements of SEN to the new Education Health and Care (EHC) plans, and to implement the changes to working practices required, the Department for Education has created the SEN Reform Grant. LBB's allocation of this grant for 2014/15 is £382k, draw-down of which was approved by Executive on 2nd April 2014.

The SEN assessment and monitoring team is currently projected to have an underspend of £50k on staffing due to staff being charged to the SEN Reform Grant and temporary vacancies, offset by an overspend of £15k on consultancy work for tribunals, and an estimated £35k new cost for mediations.

3. Education Services Grant - Dr £0k

Current projections for the Education Services Grant (ESG) allocation is £519k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. The current projection is based on the 3 conversions on 1st April and 1 on 1st August 2014, with a further 13 conversions approved by DfE, including the PRU, all expected to convert before December 2014. The projection also includes a further 8 conversions which DfE has either received an application for, or are deemed likely to occur. The full year effect of these 25 conversions is £1,194k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

4. 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. There is a total projected underspend of £1,308k on DSG funded services as outlined below to be carried forward to 2015/16.

Current projections for SEN placements show a continuance of the significant underspend in 2013/14, primarily due to lower than budgeted numbers of children, combined with the maintained lower average costs.

SEN support costs for students in further education establishments, for which funding and responsibility transferred to the authority for the first time in September 2013, is currently expected to underspend by £123k.

The 2014/15 budget included a sum of £600k to be allocated to early years providers. It had previously been anticipated that this would be unspent, as the funding regulations no longer permit in-year changes to the early years funding formula, however DfE has since confirmed that this can in fact be distributed in-year as top-up funding.

A net increase of £261k to the DSG allocation was made in July accounting for the increase in pupil numbers on the January 2014 Early Years Census, and a reduction in high needs funding relating to special unit places at a school which converted to academy status.

A major pressure areas in 2013/14 was Free Early Education (FEE) provision for 3 and 4 year olds, with an outturn of £529k overspend. To offset this, and to manage the anticipated continued growth in take-up, £1.3m budget growth was added for 2014/15. An underspend of £222k is now projected on the £11.4m total budget.

Continued growth in uptake is expected for FEE for 2 year olds in 2014/15, with an estimated 32% achieved by March 2014 against DfE's target of 40% for September 2014. However, current projections suggest that a significant underspend of around £1.4m is likely on this budget. From 2015/16 onwards DfE will fund this provision on a participation basis, so this underspend will not continue. The service are also intending to contribute £150k in-year from this underspend to the capital scheme to help build capacity for these extra places.

The underspends above are partly offset by a continued increase in the requirement for bulge classes, resulting in an overspend of £793k on the £1m budget.

	Variations	
		£'000
SEN Placements	Cr	395
SEN Support in FE colleges	Cr	123
FEE provision - 3 & 4 year olds	Cr	222
FEE provision - 2 year olds	Cr	1,250
Additional Early Years DSG allocation	Cr	314

Additional High Needs DSG deductions	53
Bulge classes	793
One-off spend re academy conversions/classroom rental etc	150
Cr	1,308

5. Youth Service - Dr £90k

Savings of £360k have been applied to the BYSP budget. The majority of the savings will be achieved through the realigning and repositioning of the Youth Services (universal and targeted). During this process there has been a staff consultation and the planned restructure will be completed at the end of September. This will result in a one-off in-year overspend of £90k.

6. Referral & Assessment Children's Centres - Cr £20k

There is a £20k underspend projected for the Parent Partnership team as a result of two part-year vacancies.

7. Sold Services (net budgets)

Services sold to schools are separately identified in this report to provide clarity in terms of what is being provided. These accounts are shown as memorandum items as the figures are included in the appropriate Service Area in the main report.

Early Warning

For 2013/14, funding for Behaviour Services was delegated to schools. As a result, the Secondary Outreach team became a trading account selling to schools. From early on it was recognised that the service would not be able to achieve the income target, and was a major pressure on the Education budget. At the end of July 2014, the staff were assimilated into vacant posts within the Pupil Referral Unit's establishment, with the expectation that Bromley Education Trust Academy would continue the service when the PRU converts to academy status in September 2014. Due to the term-time nature of the service, it has not been possible to complete a final variation for the service now that it has ceased as part of LBB, but estimates suggest that a shortfall of approximately £80k is likely.

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. One waivers has been approved since the last report to the Executive, for £303k for therapy provision for Bromley schools and settings.

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, a virement of £173k for funding of the Behaviour and Attendance Partnership/Local Inclusion Forum has been approved.

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
Cr 6,461 1,247	Customer & Support Services Parking Support Services	Cr 6,036 1,198	Cr 6,036 1,198	Cr 6,109 1,198	Cr 73 0	1-4	0 0	0 0
Cr 5,214		Cr 4,838	Cr 4,838	Cr 4,911	Cr 73		0	0
76	Public Protection - ES Emergency Planning	75	75	75	0		0	0
76		75	75	75	0		0	0
4,135 2,540 Cr 18 5,775 481 17,085 29,998	Street Scene & Green Space Area Management/Street Cleansing Highways Markets Parks and Green Space Street Regulation Waste Services	4,079 2,535 1 5,898 461 17,570 30,544	4,079 2,535 1 5,963 461 17,570 30,609	4,099 2,515 1 5,963 461 17,850 30,889	20 Cr 20 0 0 0 280 280	5 6 7	0 0 0 0 0 0 0	0 0 0 0 0 450 450
6,436 129 177 6,742	Transport & Highways Highways incl London Permit Scheme Highways Planning Traffic & Road Safety	6,611 136 171 6,918	6,861 136 171 7,168	6,861 136 171 7,168	0 0 0 0		0 0 0 0	0 0 0 0
31,602	TOTAL CONTROLLABLE	32,699	33,014	33,221	207		0	450
7,391	TOTAL NON-CONTROLLABLE	6,386	6,386	6,367	Cr 19	8	Cr 19	0
2,035	TOTAL EXCLUDED RECHARGES	2,095	2,095	2,095	0		0	0
41,028	PORTFOLIO TOTAL	41,180	41,495	41,683	188		Cr 19	450

Reconciliation of Latest Approved Budget

£'000

Original Budget 2014/15

41,180

Keston Ponds Dam carry-forward from 2013/14

65

Lead Local Flood Authorities

250

Latest Approved Budget for 2014/15

41,495

REASONS FOR VARIATIONS

1. Income from Bus Lane Contraventions Dr £65k

Due to a combination of greater compliance and the impact from the works at Bromley North which has resulted in some areas becoming unenforceable from April, a deficit of income of £65k is projected.

2. Off Street Car Parking Cr £64k

Overall a surplus of £64k is projected for off street parking. There is a net projected surplus within the multi-storey car parks of £40k. This is made up of variations of Cr £38k from Village Way, Cr £2k from the Civic Centre and additional income of Cr £24k projected from surface car parks.

Summary of variations within Off Street Car Parking		£'000
Off Street Car Parking income - multi-storey car parks	Cr	40
Off Street Car Parking income - other surface car parks	Cr	24
Total variations within Off Street Parking	Cr	64

3. On Street Car Parking Cr £60k

An overall surplus of £60k is projected for on street parking income. Major variations are within Bromley Town Centre with a net surplus of Cr £15k, and a net surplus of Cr £45k from Petts Wood, Orpington and other areas.

SSince the income projected for parking as a whole is now in surplus, previous management action taken to freeze part of the budget for the replacement of pay and display machines to balance the budget is no longer required.

Summary of variations within On Street Car Parking		£'000
Income from Bromley Town Centre	Cr	15
Income from Petts Wood, Orpington & other areas	Cr	45
Total variations within On Street Car Parking	Cr	60

4. Car Parking Enforcement Cr £14k

Based on activity levels up to July 2014, there is a projected net surplus of £56k from PCNs issued by Vinci in the current year due to an increase in contraventions. Additional income is also projected for PCN contraventions in 2013/14 totalling Cr £10k.

A net deficit of Dr £55k is projected for mobile and static cameras due to the works being undertaken in Bromley North which has led to areas becoming unenforceable from April to September 2014. This is partly offset by extra income received for tickets issued in 2013/14 of Cr £3k.

Summary of variations within Car Parking Enforcement		£'000
PCNs issued by wardens	Cr	66
PCNs issued by mobile & static cameras		52
Total variations within Car Parking Enforcement	Cr	14

Summary of overall variations within Parking:		£'000
Bus Routes Enforcement		65
Off Street Car Parking income	Cr	64
On Street Car Parking	Cr	60
Car Parking Enforcement	Cr	14
Total variation for Parking	Cr	73

5. Area Management & Street Cleansing Dr £20k

Within the FPN littering offence scheme there is a projected deficit of £20k, relating to the period to 31st August 2014. This has arisen due to a combination of lower than anticipated income recovery rates, as well as fewer tickets issued than expected in recent months, and therefore costs exceed income collected. If the contract is extended to 31st March 2014, it is expected that the deficit would rise to £50k. This will continue to be monitored closely in the coming months, with any further deficit identified requiring compensating savings.

6. Highways SSGS Cr £20k

Within Highways, there is a projected surplus income from skip licences of £20k. This is due to a combination of a general upturn within the economy, as well as improved management systems and processes within the SSGS division.

7. Waste Services Dr £280k

There is currently projected to be an overspend within waste disposal tonnages of £130k. Actual tonnage is 880 tonnes above budget for the first four months of the year, and 930 tonnes above the same period in 2013-14. It is currently anticipated that there will be a year-end variation of 1,450 tonnes, resulting in an overspend of £130k. However, if the variation for the first 3rd of the year is repeated throughout 2014-15, the deficit could be as high as 2,640 tonnes, which equates to an overspend of £235k.

In addition to the increase in residual disposal tonnage from households, the green garden waste tonnage is 708 higher for the first 4 months of the year when compared to the same period last year. It is expected that this will continue for the rest of the year and a year end variation is expected of at least 2,800 tonnes, resulting in an overspend of £125k.

The green garden waste collection service is projected to be underspent by £125k by the year end. This is due to a number of factors; Staffing and running expenses are expected to be £33k lower than budgeted and the fourth vehicle has not been required until August, providing a saving of £45k. A combination of additional customers for the wheelie bin scheme and the continued sale of green garden waste stickers has led to an overachievement of income of £47k.

There is a projected deficit from paper recycling income of £120k due to reduced tonnages currently being collected from households. Paper tonnages have been reducing for the last two years, and it is likely that this trend will continue into future years.

There is currently a projected deficit within income from trade waste collections of £80k. This has arisen where around 4% of commercial customers have withdrawn from the services since April 2014.

Within trade waste delivered income, there is a projected surplus of £50k, resulting from higher activity than budgeted.

Summary of variations within Waste Services		£'000
Waste disposal tonnages		255
Underspend from green garden waste collection scheme	Cr	125
Paper recycling income		120
Trade waste collection income		80
Collection contract	Cr	50
Total variation for Waste Services		<u>280</u>

8.Non-controllable budgets Cr £19k

For information here, the variation relates to a net surplus within property rental income across the Environment portfolio. Property division 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 the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the from 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 approved:

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.

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
433	Public Protection Community Safety	313	313	313	0		0	0
322	Mortuary & Coroners Service	348	348	348	0		0	0
1,779	Public Protection	1,865	1,865	1,865	0		0	0
2,534	TOTAL CONTROLLABLE	2,526	2,526	2,526	0		0	0
191	TOTAL NON CONTROLLABLE	6	6	6	0		0	0
281	TOTAL EXCLUDED RECHARGES	94	94	94	0		0	0
3,006	PORTFOLIO TOTAL	2,626	2,626	2,626	0		0	0

Reconciliation of Latest Approved Budget £'000

Original Budget 2014/15 2,626

Latest Approved Budget for 2014/15 2,626

REASONS FOR VARIATIONS

There are no projected 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.

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
	R&R PORTFOLIO							
0	Commissioning Fund Commissioning Fund	0	0	0	0		0	0
0		0	0	0	0		0	0
Cr 16	Housing Strategy & Development Housing Strategy & Development	Cr 14	Cr 14	Cr 14	0		0	0
Cr 16		Cr 14	Cr 14	Cr 14	0		0	0
Cr 23	Planning Building Control	12	12	2	Cr 10	1	0	0
Cr 165	Land Charges	Cr 168	Cr 168	Cr 168	0		0	0
492	Planning	649	649	609	Cr 40	2	0	0
1,119	Renewal	1,093	1,153	1,133	Cr 20		0	0
1,423		1,586	1,646	1,576	Cr 70		0	0
2,029	Recreation Culture	1,902	1,896	1,956	60	3	60	0
4,882	Libraries	4,656	4,931	5,131	200	4	200	0
243	Town Centre Management & Business Support	240	240	240	0		0	0
7,154		6,798	7,067	7,327	260		260	0
8,561	Total Controllable R&R Portfolio	8,370	8,699	8,889	190		260	0
9,276	TOTAL NON CONTROLLABLE	2,577	2,594	2,594	0		Cr 2	0
2,215	TOTAL EXCLUDED RECHARGES	2,275	2,275	2,275	0		0	0
20,052	PORTFOLIO TOTAL	13,222	13,568	13,758	190		258	0

Reconciliation of Latest Approved Budget

£'000

Original budget 2014/15

13,222

Repairs & Maintenance

17

Local Plan Implementation

60

Business Support Scheme- Grant Related Expenditure

23

Business Support Scheme- Grant Related Income

Cr 23

Allocation of funding for RFID from central contingency

275

Discretionary rate relief returned to the General Fund

Cr 6

Latest Approved Budget for 2014/15

13,568

REASONS FOR VARIATIONS

1. Building Control Cr £10k

For the chargeable service, an income deficit of £70k is anticipated based on information to date. This is being more than offset by a projected underspend within salaries of £95k arising from reduced hours working / vacancies. In accordance with Building Account Regulations, the net surplus of £25k will be carried forward via the earmarked reserve for the Building Control Charging Account.

Within the non-chargeable service, as a result in delays in not appointing to vacant posts, there is a projected underspend of £10k.

2. Planning Cr £40k

Income from non-major planning applications is £48k above budget for the first four months of the year, and a surplus of £120k is projected for the year. For information, actual income received for April to July is £45k higher than that received for the same period last year.

For major applications, £66k has been received as at 31st July and planning officers within the majors team have provided a schedule of additional potential income that may be received in the coming months of approximately £220k. Allowing for delays in some of this income being received, as well as other items not being received at all, a deficit of £120k is being projected for major applications at this stage of the year.

There is projected surplus income of £40k from pre-application meetings due to higher than budgeted activity levels.

Summary of variations within Planning:	£'000
Surplus income from non-major applications	Cr 120
Income deficit within major applications	120
Surplus pre-application income	Cr 40
Total variation for planning	<u>Cr 40</u>

3. Renewal Cr £20k

Within salaries, there is a projected net underspend of £20k. This has arisen due to a combination of departing staff being replaced at the lower end of the salary scale, and a secondment to Resources not being back-filled for 6 months.

4. Culture £60k

A budget saving of £150k was built into the culture budget for 2014/15 in anticipation that a review of the service would deliver the necessary savings. To date only £90k savings have been identified, leaving a budget gap of £60k. It is expected that further savings will be identified to ensure a balanced budget from April 2015.

5. Libraries Dr £200k

As part of the budget setting process for 2014/15, savings of £300k were built into the library budget. Detailed consultations have taken place with both staff and the public over the last few months about options to reduce opening hours. The installation of the Radio Frequency Identification Data system (RFID) in the remaining 9 libraries will be undertaken in the next two months and it is expected that only part year savings of £100k will be achieved this financial year. The full £300k savings will be achieved from April 2015.

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

2013/14 Actual £'000	Financial Summary	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
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
	Financial Services & Procurement							
1,552	Exchequer - Payments & Income	1,687	1,687	1,671	Cr 16	1	Cr 12	
4,729	Exchequer - Revenue & Benefits	6,697	6,479	6,180	Cr 299	2	Cr 139	Cr 280
186	Finance Director & Other	193	193	193	0		0	
557	Financial Accounting	598	602	602	0		0	
1,580	Management Accounting & Systems	1,653	1,649	1,616	Cr 33	3	Cr 28	
392	Procurement	410	441	442	1		4	
8,996	Total Financial Services Division	11,238	11,051	10,704	Cr 347		Cr 175	Cr 280
	CORPORATE SERVICES DIVISION							
4,391	Information Systems & Telephony	4,512	4,617	4,594	Cr 23	4	Cr 34	
	Operational Property Services							
Cr 3	CDM	0	0	0	0		0	
146	Client & Facilities Services	153	153	151	Cr 2	5	0	
42	Property Services Planned	1	1	4	3		1	
244	Property Services Reactive	176	176	255	79		74	66
1,923	Repairs & Maintenance (All LBB)	1,886	2,293	2,293	0		0	
	Customer Services & Bromley Knowledge							
100	Bromley Knowledge	10	10	10	0		0	
832	Contact Centre	831	897	899	2		1	
	Legal Services & Democracy							
1,490	Democratic Services	1,539	1,539	1,469	Cr 70	6	Cr 72	Cr 100
317	Electoral	310	310	310	0		9	
1,625	Legal Services	1,583	1,583	1,568	Cr 15	7	Cr 30	
Cr 118	Registration of Births, Deaths & Marriages	Cr 93	Cr 93	Cr 91	2		Cr 2	
1,850	Admin. Buildings	1,838	1,838	1,704	Cr 134	8	Cr 134	Cr 73
461	Facilities & Support	484	484	451	Cr 33	9	Cr 33	
166	Management and Other (Corporate Services)	166	166	166	0		0	
13,466	Total Corporate Services Division	13,396	13,974	13,783	Cr 191		Cr 238	Cr 107
	HR DIVISION							
1,379	Human Resources	1,521	1,521	1,542	21	10	29	
1,379	Total HR Division	1,521	1,521	1,542	21		29	0
	CHIEF EXECUTIVE'S DIVISION							
766	Audit	846	846	753	Cr 93	11	4	
110	Comms	210	210	210	0		Cr 5	
641	Management and Other (C. Exec)	588	588	634	46	12	40	
144	Mayoral	178	178	124	Cr 54	13	Cr 32	Cr 32
1,661	Total Chief Executive's Division	1,822	1,822	1,721	Cr 101		7	Cr 32
	TRANSFORMATION & REGENERATION DIVISION							
	Strategic Property Services							
254	Investment & Non-Operational Property	397	408	308	Cr 100	14	Cr 27	
559	Strategic Property Services	619	619	619	0		Cr 6	
Cr 4,869	Investment Income	Cr 6,345	Cr 6,356	Cr 4,937	1,419	15	1,476	0
Cr 802	Other Rental Income - Other Portfolios	Cr 780	Cr 791	Cr 797	Cr 6	16	Cr 6	
Cr 4,858	Total Transformation & Regeneration Division	Cr 6,109	Cr 6,120	Cr 4,807	1,313		1,437	0
20,644	Total Controllable Departmental Budgets	21,868	22,248	22,943	695		1,060	Cr 419
	CENTRAL ITEMS							
7,610	CDC & Non Distributed Costs (Past Deficit etc.)	7,450	7,450	7,450	0		0	
9,650	Concessionary Fares	9,900	10,433	10,433	0		0	
37,904	Total Controllable	39,218	40,131	40,826	695		1,060	Cr 419

APPENDIX 2F

2013/14 Actual £'000	Financial Summary	2013/14 Original Budget £'000	2013/14 Latest Approved £'000	2013/14 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
6,117	Total Non Controllable	2,032	2,148	2,148	0		0	
Cr 19,007	Total Excluded Recharges	Cr 20,013	Cr 20,013	Cr 20,013	0		0	
Cr 1,382	Less: R&M allocated across other Portfolios	Cr 1,531	Cr 1,569	Cr 1,569	0		0	
802	Less: Rent allocated across other Portfolios	780	791	797	6		6	
24,434	TOTAL CHIEF EXECUTIVE'S DEPARTMENT	20,486	21,488	22,189	701		1,066	Cr 419
24,434	TOTAL RESOURCES PORTFOLIO	20,486	21,488	22,189	701		1,066	Cr 419
Memorandum Item						17		
Sold Services								
Cr 4	Audit (Schools) Trading Account	0	0	0	0		0	
Cr 1	Health & Safety Schools Trading Account	Cr 3	Cr 3	Cr 3	0		0	
Cr 15	HR Schools Trading Account	24	26	48	22		24	
Cr 43	Finance Schools Trading Account	Cr 13	Cr 13	Cr 34	Cr 21		Cr 23	
8	Facilities Schools Trading Account	0	0	0	0		0	
Cr 3	Reactive Maintenance Schools Trading Account	0	0	1	1		0	
Cr 58	Total Sold Services	8	10	12	2		1	0

Reconciliation of Final Budget**£'000****Original budget 2014/15****20,486**

Repairs and Maintenance carry forward from 2013-14

369

Transfer budget for NNDR Discretionary Relief to contingency

Cr 218

Concessionary Fares

533

Carbon Tax

31

Customer Services Centre

40

Carryforward Requests drawn down from Central Contingency

131

this cycle

116

Increase in insurance costs

116

Latest Approved Budget for 2014/15**21,488**

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

1 Exchequer Services - Payments & Income - £16k Cr

An underspend of £16k Cr is projected for Payments & Income. £11k Cr relates to staffing, due to reduced hours and other staff changes. Other minor variations net out to 5k Cr.

2 Exchequer Services - Revenue & Benefits - £299k Cr

An overall underspend of £299k Cr is projected for Revenue & Benefits. £66k Cr relates to vacant posts for which there are no plans to fill this financial year. Negotiations with Liberata have resulted in reduced contract costs of £97k Cr relating to the allowance for inflation and variations in services. A variation on the provision made for incentive payments relating to 13-14 is expected to result in an underspend of £33k Cr. Further reductions in costs of £185k Cr are expected on licence and support costs for Exchequer systems. These underspends are offset by additional costs relating to a secure network backup solution for the transmission of sensitive data £48k, the introduction of kiosk payment facilities £24k, and reduced income from payroll charges to schools of £24k. Other minor variations total £14k Cr. It is currently expected that there will be ongoing underspends of approx. £280k Cr, mainly relating to the contract budget and licences and support.

3 Management Accounting & Systems - £33k Cr

An underspend of £33k Cr is projected for Management Accounting and Systems. £21k Cr relates to additional net income expected from Finance Services sold to schools. The remaining £12k Cr relates to minor variations on salaries.

CORPORATE SERVICES DIVISION

4 Information Systems & Telephony - £23 Cr

The ISD is projecting an underspend of £23k Cr. This mainly relates to the vacant Head of IT post. It has been assumed for this projection that the post will be filled by the 01/10/2014, however this issue is subject to further discussion.

5 Operational Property Services Dr £80k

The latest forecast for Operational Property is a net overspend of £80k. This is mainly due to a historic shortfall in the budget. This shortfall is £66k, and mainly relates to a number of small variations in salary budgets (includes non-achievement of turnover, regrading of staff, overtime provisions and minor variations on posts deleted as budget savings). The Director of Corporate Services continues to explore ways of mitigating this variation. Other minor variations total £14k Dr across salaries and supplies and services within planned and reactive.

6 Democratic Services - £70k Cr

Democratic Services is expecting an underspend of £70k Cr. This predominantly relates to Members allowances. A freeze in allowance rates, and the removal of Members from the pension scheme from June 14, has resulted in a reduction of £99k Cr. This is offset by costs of £29k relating to the purchase of IPADs.

7 Legal Services - £15k Cr

Legal Services is projecting an underspend of £15k Cr relating to staffing. There are ongoing discussions with all departments to establish what level of legal services are required. There are vacant posts which will be filled following the outcome of these discussions, however, in the meantime casual staff are being employed during the transition period pending the restructuring.

8 Admin Buildings - £134k Cr

An underspend of £134k Cr is projected for Admin Buildings. A £38k Cr reduction in salary costs is expected following the flexible retirement of an office attendant and the effects of a previous re-structuring which resulted in staff working reduced hours. An underspend of £61k Cr is expected on NNDR costs and the re-tendering of the cleaning contract has resulted in reduced costs of £44k Cr. These underspends are offset by a shortfall in car parking income of £9k.

9 Facilities & Support - £33k Cr

Facilities and Support is projecting an underspend of £33k. This relates to salaries within office services and caretaking due to a vacant post and unpaid leave which are being covered within the establishment.

HR DIVISION

10 Human Resources - £21k Dr

The HR Division is projecting an overspend of £21k. An underspend of £15k Cr is projected on employee costs. This is offset by an anticipated shortfall in HR trading income of £25k (mainly due to a reduction in the number of schools purchasing HR services) plus a shortfall in income with HR strategy of £6k, mainly relating to a historic income budget that cannot be achieved. A further £5k Dr contribution to the 14-15 savings target still needs to be identified.

CHIEF EXECUTIVE'S DIVISION

11 Audit - £93k Cr

An underspend of £93k Cr is projected for Audit. A reduction of £53k Cr has been negotiated on the cost of the Greenwich Fraud contract. The Audit Commission has made a one-off rebate of £21k Cr for external audit fees and reduced staff costs of £19k Cr are projected.

12 Management & Other - £46k Dr

An overspend of £46k is projected for Management & Other. A saving of £68k was built into the 14-15 budget (which is yet to be identified), however this is offset by a £28k Cr reduction in employers pension fund contributions as a result of an employee no longer needing to contribute to the Pension Fund. Other minor variations total £6k Dr.

13 Mayoral - £54k Cr

An underspend of £54k Cr is currently being projected for Mayoral Services. In addition to the long standing vacant Mayoral attendant post, the Mayoral service manager post has now become vacant. This post will potentially be covered by existing staff, thus generating a saving, however details of this are still to be finalised.

TRANSFORMATION & REGENERATION DIVISION

14 Investment and Non-Operational Property (expenditure) £100k Cr

An overspend of £75k is projected on the premises budget for Surplus Properties. This relates to additional costs of £71k for utilities and £4k for security at Oakfield.

An underspend of £87k Cr is expected on Business Rates, which consists of £27k Dr on Surplus Properties, £101k Cr at Bromley Old Town Hall (the building is vacant and listed), and £13k Cr at Anerley Business Centre.

Additional income of £11k Cr is expected from the Trust (CPCDT) who operate Anerley Business Centre.

An underspend of £82k Cr is expected on Bromley Old Town Hall (the building is vacant and listed), which consists of £31k Cr on utilities, £30k Cr on other hired and contracted services and £21k Cr on security costs.

An overspend of £4k is expected on Properties Held for Investment due to the cleaning costs of the walkway from the link bridge to the Glades.

15 Investment Income £1,419k Dr

This variation mainly relates to the projected shortfall in income from Investment Fund properties. The 2014/15 budget for these properties is £2,025k. Four High Street properties have been purchased to date costing £9.8M and the income projected for these properties is £615k, resulting in an estimated shortfall of £1,410k.

Further acquisitions are in progress. Members have agreed to the purchase of 147 - 153 High Street and 145 High Street. The full year annual income from these would be £1,065k. The conveyancing work is progressing, however there is no firm date for completion, so no allowance has been made in the projections for the rental income from these additional properties. If the acquisitions were to complete by the end of August, however, the additional rent income would be £621k in 2014/15, and the FYE would reduce from £1,410k to £345k.

A further investment opportunity has been identified and, if a purchase is agreed, the income would mean that the target of £2,025,000 would be achieved.

In addition to the above, a shortfall of income of £53k is projected for the Walnuts Head Rent based upon the 2011 statement from Garden Property Investments Ltd and information from our Principal Valuer.

Other variations in rental income net out to £44k Cr. This relates to Anerley Business Centre £15k Cr, Properties Held for Investment £16k Cr, Agricultural Properties £8k Cr and other items £5k Cr.

16 Other Rental Income - Other Portfolios £6k Cr

Various minor variations net out to £6k Cr.

17 Sold Services (Net Budgets)

Services sold to schools are separately identified in this report to provide clarity in terms of what is being provided. These accounts are shown as memorandum items as the figures are included in the appropriate Service Area in the main report.

Early Warning

INTU have recently been granted planning approval for a proposed new development at The Glades Shopping Centre, which involves internal alterations and extending on to the roof to provide a Cinema and new restaurants. These works are currently estimated to cost approx. £ 14M. INTU are still working on their detailed proposals for this project, and have not yet requested Bromley's consent as Landlord and approval for funding. It is assumed, however, that they will want to proceed with this scheme in due course and Bromley's contribution to the cost of these works, under the existing leasing arrangements, would be approx. £2.1M. A detailed report will be submitted to Members, including proposed funding arrangements, once ITNU have made a formal request and provided the business case.

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, the following waivers have been actioned :

Award of contract for Funeral Services where no one else is able to deal with the arrangements. This required approval due to the low number of tenders received. Annual contract value £50,000, whole life contract value £150,000.

Extension of licence for use of Google Search on LBB Website. Annual contract value £9,916, whole life contract value £29,750, cumulative contract value £58,250.

Exemption from tendering arrangements for Legal Services in relation to Insurance claims. This relates to three firms of solicitors used to support insurance claims as required on an ad hoc basis. Maximum annual expenditure limit for each supplier £50,000. Total value of waiver £300k.

Exemption from tendering arrangements for Loss Adjusting Services in relation to Insurance claims. This relates to two loss adjusting companies used to support insurance claims as required on an ad hoc basis. Maximum annual expenditure limit for each supplier £20,000. Total value of waiver £40k.

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 :

The Director of Finance has approved a one off virement of a budget of £48K from line of business software, within the Exchequer Benefits & Admin. cost centre 400002, to fund a secure network connection back up (LPSN).

Allocation of Contingency Provision for 2014/15

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						
Street Environment contract	200,000			200,000	200,000	0
Renewal and Recreation						
Planning appeals - change in legislation	60,000			60,000	60,000	0
Resources						
Net shortfall of Glades income	114,000			114,000	114,000	0
Care Services						
Additional spend related to funding from NHS support for Social Care						
- expenditure	1,195,200			1,196,250	1,196,250	1,050
- income	Cr 1,195,200			Cr 1,196,250	Cr 1,196,250	Cr 1,050
Additional spend related to funding from Public Health						
- expenditure	352,800			352,800	352,800	0
- income	Cr 352,800			Cr 352,800	Cr 352,800	0
Education						
Net impact of reduction in funding arising from LACSEG	1,960,000			519,000	519,000	Cr 1,441,000
General						
Provision for unallocated inflation	792,000	156,023		635,977	792,000	0
Provision for risk/uncertainty	1,840,000	275,000		1,565,000	1,840,000	(3)
Provision for cost pressures arising from variables	2,000,000			2,000,000	2,000,000	0
Provision for homelessness (impact of recession/ changes to welfare benefits)	1,200,000			1,200,000	1,200,000	0
Provision for risk/uncertainty relating to volume and cost pressures	1,120,000			1,120,000	1,120,000	0
Freedom Passes	614,000	533,277		0	533,277	(3) Cr 80,723
Cost of Local Elections	500,000			500,000	500,000	0
Carbon tax	300,000	31,000		0	31,000	(3) Cr 269,000
Grants to voluntary organisations	275,000			275,000	275,000	0
Disabled Facilities Grant Revenue Cont.to Capital	232,000			232,000	232,000	0
Impact of Auto Enrolment	200,000			200,000	200,000	0
Further increases in fuel costs	190,000			190,000	190,000	0
Discretionary rate relief budgets returned to Contingency				0	Cr 224,890	Cr 224,890
	11,597,000	770,410	0	8,810,977	9,581,387	Cr 2,015,613
Grants included within Central Contingency Sum						
SEN Reform Grant						
Grant related expenditure	381,937	381,937		0	381,937	(1)
Grant related income	Cr 381,937	Cr 381,937		0	Cr 381,937	0
SEND Pathfinder Grant						
Grant related expenditure	44,600			71,063	71,063	26,463
Grant related income	Cr 44,600			Cr 71,063	Cr 71,063	Cr 26,463
Lead Local Flood Authorities						
Grant related expenditure	253,000	250,000		0	250,000	(3) Cr 3,000
Local Reform and Community Voices						
Grant related expenditure	89,570	88,060		0	88,060	(1&2) Cr 1,510
Grant related income	Cr 89,570	Cr 88,060		Cr 1,510	Cr 89,570	0
Adoption Reform						
Grant related expenditure	273,154			273,154	273,154	0
Grant related income	Cr 273,154			Cr 273,154	Cr 273,154	0
Tackling Troubled Families Grant						
Grant related expenditure	426,400			318,000	318,000	Cr 108,400
Grant related income	Cr 426,400			Cr 318,000	Cr 318,000	Cr 108,400
London Waste & Recycling Board						
- expenditure		Cr 145,000		0	Cr 145,000	(1) Cr 145,000
- income		145,000		0	145,000	145,000
Welfare Reform						
- expenditure			66,463	0	66,463	66,463
- income			Cr 66,463	0	Cr 66,463	Cr 66,463
Individual Electoral Registration Process						
- expenditure		102,335		0	102,335	(3) 102,335
- income		Cr 102,335		0	Cr 102,335	Cr 102,335
Care Bill Implementation Grant						
- expenditure				125,000	125,000	125,000
- income				Cr 125,000	Cr 125,000	Cr 125,000
SEND Implementation Grant						
- expenditure				259,317	259,317	259,317
- income				Cr 259,317	Cr 259,317	Cr 259,317
Pothole Funding (DFT)						
- expenditure				504,982	504,982	504,982
- income				Cr 504,982	Cr 504,982	Cr 504,982
Staying Put Implementation Grant						
- expenditure			36,487	0	36,487	36,487
- income			Cr 36,487	0	Cr 36,487	Cr 36,487
Total Grants	253,000	250,000	0	Cr 1,510	248,490	0
TOTAL CARRIED FORWARD	11,850,000	1,020,410	0	8,809,467	9,829,877	Cr 2,020,123

Notes:

- (1) Approved by Executive 2nd April 2014
- (2) Approved by Executive 10th June 2014
- (3) Approved by Executive 16th July 2014

Allocation of Contingency Provision for 2013/14 (continued)

Item	Carried Forward from 2012/13	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	
	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	11,850,000	1,020,410	0	8,809,467	9,829,877	Cr 2,020,123
Items Carried Forward from 2013/14						
Care Services						
Social Care Funding via the CCG under S256 (Invest to Save)						
- expenditure	840,920	448,920	40,000	352,000	840,920	(3) 0
- income	Cr 840,920	Cr 448,920	Cr 40,000	Cr 352,000	Cr 840,920	0
Older People Day Opportunities Year 2						
- expenditure	264,390	264,390		0	264,390	(4) 0
- income	Cr 264,390	Cr 264,390		0	Cr 264,390	0
Adult Care Gateway review - Care Bill						
- expenditure	248,680	248,680		0	248,680	(3) 0
- income	Cr 248,680	Cr 248,680		0	Cr 248,680	0
Children's Social care Year 3						
- expenditure	23,600	23,600		0	23,600	(6) 0
- income	Cr 23,600	Cr 23,600		0	Cr 23,600	0
Public Health S256						
- expenditure	43,920		43,920	0	43,920	0
- income	Cr 43,920		Cr 43,920	0	Cr 43,920	0
HealthWatch start up Funding						
- expenditure	4,350			4,350	4,350	0
- income	Cr 4,350			Cr 4,350	Cr 4,350	0
Adoption Reform						
- expenditure	485,269			485,269	485,269	0
- income	Cr 485,269			Cr 485,269	Cr 485,269	0
Tackling Troubled Families						
- expenditure	904,071	764,000		140,071	904,071	(3) 0
- income	Cr 904,071	Cr 764,000		Cr 140,071	Cr 904,071	0
Step Up to Social Work						
- expenditure	72,159			72,159	72,159	0
- income	Cr 72,159			Cr 72,159	Cr 72,159	0
Public Health						
- expenditure	768,900	98,000		670,900	768,900	(2) 0
- income	Cr 768,900	Cr 98,000		Cr 670,900	Cr 768,900	0
Public Health Transition Funding						
- expenditure	42,264		42,264		42,264	0
- income	Cr 42,264		Cr 42,264		Cr 42,264	0
Chief Executive's						
CCG Funding to Comms Team						
- expenditure	9,806		9,806	0	9,806	0
- income	Cr 9,806		Cr 9,806	0	Cr 9,806	0
Cabinet Office Funding						
- expenditure	22,260		22,260	0	22,260	0
- income	Cr 22,260		Cr 22,260	0	Cr 22,260	0
Renewal & Recreation						
Business Support Scheme						
- expenditure	22,500	22,500		0	22,500	(1) 0
- income	Cr 22,500	Cr 22,500		0	Cr 22,500	0
General						
Disaster Recovery Solution	105,000		105,000	0	105,000	0
Contact Centre	26,342		26,342	0	26,342	0
Welfare Fund	441,996			441,996	441,996	(5) 0
Staff Merit Awards (held in Contingency)	151,941			151,941	151,941	0
Local Plan Implementation	60,000	60,000		0	60,000	(1) 0
Children's Centres	297,000	297,000		0	297,000	(3) 0
Keston Ponds Dam	65,000	65,000		0	65,000	(3) 0
	1,147,279	422,000	131,342	593,937	1,147,279	0
Grants included within Central Contingency Sum						
Adult Social Care Data						
- expenditure	30,674			30,674	30,674	0
- income	Cr 30,674			Cr 30,674	Cr 30,674	0
Total Grants	0	0	0	0	0	0
Total Carried Forward	1,147,279	422,000	131,342	593,937	1,147,279	0
GRAND TOTAL	12,997,279	1,442,410	131,342	9,403,404	10,977,156	Cr 2,020,123

Notes:

- (1) Approved by Renewal & Recreation PDS 23rd June 2014
- (2) Approved by Executive 12th February 2014
- (3) Approved by Executive 16th July 2014
- (4) Approved by Executive 6th February 2013
- (5) To be used to support a revised welfare scheme in 15-16 (per E & R PDS 8.7.14)
- (6) Approved by Executive 20th June 2012

APPENDIX 4

Description	2014/15 Latest Approved Budget £'000	Variation To 2014/15 Budget £'000	Potential Impact in 2015/16
Education Services Grant	Cr 2,732	0	The Education Services Grant (ESG) is allocated on the basis of pupil numbers, and grant reduces in-year as schools convert to academies. The full year effect of the 25 conversions projected to take place during 2014/15 is £1,194k. Assuming that the in year shortfall of £519k is drawn down from contingency, the full year effect is reduced to £675k.
Adult Education	Cr 602	299	The current projected overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into 2015/16. The service has indicated that they will plan for further efficiency savings, however there is a total income shortfall of £317k, with only a net reduction of £18k on running costs to offset this.
Housing Needs - Temporary Accommodation	4,576	0	The full year effect of the projected overspend is currently anticipated to be a pressure of £1,122k 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. 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. Assuming that the in year shortfall of £653k is drawn down from contingency, the full year effect is reduced to £469k.
Adult Care Placements	48,264	2,748	The net overspend on adult care placements is forecast to produce a full year overspend of £3,585k, based on activity to 31/3/15 only (i.e. doesn't include changes to activity levels in future years).
Learning Disabilities Short Breaks Service	649	Cr 100	The underspend currently reported in 2014/15 is expected to continue into next year.
Learning Disabilities Housing & Support	1,383	Cr 120	The underspend currently reported in 2014/15 is expected to continue into next year.
Supporting People	2,061	Cr 85	Based on current contracts a full year underspend of £85k is anticipated.
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	253	The full year effect of clients who have no recourse to public funds and Bromley are having to pay for has been calculated at £415k 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.

APPENDIX 4

Description	2014/15 Latest Approved Budget £'000	Variation To 2014/15 Budget £'000	Potential Impact in 2015/16
Revenue & Benefits	6,479	Cr 299	It is currently expected that there will be ongoing underspends of approx. £280k Cr, mainly relating to the contract budget and licences and support.
Operational Property Services	330	80	There is a historic budget shortfall of £66K relating to a number of small variations in salary budgets (includes non-achievement of turnover, regrading of staff, overtime provisions and minor variations on posts deleted as budget savings). The Director of Corporate Services continues to explore ways of mitigating this variation.
Human Resources	1,521	21	An ongoing income shortfall of £9k has been identified as a result of the continuing reduction in income from the Media Advertising contract for staff. There has been a general reduction in the level of staff advertising and changes in the way adverts are placed (e.g. LBB website).
Investment Income	Cr 6,356	1,419	An ongoing income shortfall of £1,463k is currently projected. Income of £2,025k is budgeted for the investment in Property, however the expected income is £615k resulting in a shortfall of £1,410k. Further properties are in the process of being purchased which should improve the position. In addition a shortfall of £53k is projected for The Walnuts Rent Share.
Democratic Services	1,539	Cr 70	A freeze in Members allowance rates, and the removal of Members from the pension scheme from June 14, has resulted in a on-going reduction of £100k Cr.
Admin. Buildings	1,838	Cr 134	A £38k Cr reduction in salary costs is expected following the flexible retirement of an office attendant and the effects of a previous re-structuring which resulted in staff working reduced hours. The re-tendering of the cleaning contract has resulted in reduced costs of £44k Cr. These underspends are offset by a shortfall in car parking income of £9k.
Mayoral	178	Cr 54	An underspend of £32k Cr is projected for Mayoral Services. This relates to a vacant Mayoral attendant post.
Waste	8,636	400	Actual tonnage is 880 tonnes above budget for the first four months of the year and a year-end deficit of 1,450 tonnes is projected. There are also deficits within paper recycling income and trade waste collected, and a surplus within trade waste delivered. At this stage, it is expected these trends will continue into 2015/16 and full-year effect of £450k is projected. These variations will continue to be monitored closely during the coming months, with appropriate management taken to address the shortfall as part of the budget setting process.

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 are as follows:

31 March			Transfers (to)	Actual
2014	Service	Income	Expenditure /from Capital	as at
£000		£000	£000	31 July
			£000	2014
				£000
<u>Revenue</u>				<u>Revenue</u>
679	Highway Improvement Works			679
5	CCTV		5	-
45	Road Safety Schemes			45
120	Local Economy & Town Centres			120
69	Parking			69
-	Landscaping			-
727	Healthcare Services			727
40	Community Facilities (to be transferred to capital)			40
10	Other	-	-	10
1,695		-	5	-
				1,690
<u>Capital</u>				<u>Capital</u>
0	Local Economy & Town Centres			-
1,571	Education	232		1,803
4,461	Housing	514	427	4,548
-	Community Facilities			-
6,032		746	427	-
7,727		746	432	-
				8,041