

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 10.09.14 £'000
Care Services	104,941	1,211	106,152	108,920	2,768	2,890
Education (incl. Schools' Budget)	4,649	297	4,946	5,221	275	369
Environment	32,699	304	33,003	33,003	0	207
Public Protection & Safety	2,526	0	2,526	2,491	Cr 35	0
Renewal and Recreation	8,370	343	8,713	8,782	69	190
Resources	39,218	910	40,128	40,231	103	695
<b>Total Controllable Budgets</b>	<b>192,403</b>	<b>3,065</b>	<b>195,468</b>	<b>198,648</b>	<b>3,180</b>	<b>4,351</b>
Capital and Insurances (see note 2)	16,827	116	16,943	16,943	0	0
Non General Fund Recharges	Cr 916	0	Cr 916	Cr 916	0	0
<b>Total Portfolios (see note 1)</b>	<b>208,314</b>	<b>3,181</b>	<b>211,495</b>	<b>214,675</b>	<b>3,180</b>	<b>4,351</b>
<b>Central Items:</b>						
<b>Interest on General Fund Balances</b>	Cr 1,591	0	Cr 1,591	Cr 2,391	Cr 800	0
<b>Contingency Provision (see Appendix 3)</b>	11,850	Cr 1,627	10,223	8,203	Cr 2,020	Cr 2,020
<b>Other central items</b>						
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
<b>Total other central items</b>	Cr 6,308	0	Cr 6,308	Cr 6,308	0	0
<b>Total All Central Items</b>	<b>3,951</b>	<b>Cr 1,627</b>	<b>2,324</b>	<b>Cr 496</b>	<b>Cr 2,820</b>	<b>Cr 2,020</b>
<b>Bromley's Requirement before balances</b>	<b>212,265</b>	<b>1,554</b>	<b>213,819</b>	<b>214,179</b>	<b>360</b>	<b>2,331</b>
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
<b>Adjustment to Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Cr 1,916</b>	<b>Cr 1,916</b>	<b>Cr 3,771</b>
Revenue Support Grant	212,265	0	212,265	212,263	Cr 2	114
Cr 42,031	0	Cr 42,031	Cr 42,031	0	0	0
Business Rates Retention	Cr 35,265	0	Cr 35,265	Cr 35,265	0	0
New Homes Bonus	Cr 5,040	0	Cr 5,040	Cr 5,038	2	Cr 114
Cr 1,381	0	Cr 1,381	Cr 1,381	0	0	0
C Tax Freeze Grant	Cr 144	0	Cr 144	Cr 144	0	0
Local Services Support Grant	Cr 2,964	0	Cr 2,964	Cr 2,964	0	0
Collection Fund Surplus	Cr 2,964	0	Cr 2,964	Cr 2,964	0	0
<b>Bromley's Requirement</b>	<b>125,440</b>	<b>0</b>	<b>125,440</b>	<b>125,440</b>	<b>0</b>	<b>0</b>
GLA Precept	37,133	0	37,133	37,133	0	0
<b>Council Tax Requirement</b>	<b>162,573</b>	<b>0</b>	<b>162,573</b>	<b>162,573</b>	<b>0</b>	<b>0</b>

# 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)	1,627
	<u>3,181</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	1,529	132,329	135,385	3,056	3,272
Environmental & Community Services	54,240	706	54,946	54,955	9	378
Chief Executive's Department	23,274	946	24,220	24,335	115	701
	<b>208,314</b>	<b>3,181</b>	<b>211,495</b>	<b>214,675</b>	<b>3,180</b>	<b>4,351</b>

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 £000's	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
<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>								
<b>Adult Social Care</b>								
18	AIDS-HIV service	0	0	0	0		0	0
30,925	Assessment and Care Management Adult Social Care Capping savings target not yet delivered	25,475	24,002	24,709	707	1	589	410
3,897	Direct Services	3,269	3,331	3,324	Cr 7	1	1,450	1,450
2,868	Learning Disabilities Care Management	2,052	3,048	3,243	195	4	Cr 10	0
1,694	Learning Disabilities Day and Short Breaks Service	2,100	2,096	1,977	Cr 119	1	Cr 355	265
988	Learning Disabilities Housing & Support	1,562	1,383	1,286	Cr 97	2	Cr 100	Cr 119
						3	Cr 120	Cr 97
<b>40,390</b>		<b>34,458</b>	<b>33,860</b>	<b>35,989</b>	<b>2,129</b>		<b>2,164</b>	<b>1,909</b>
<b>Operational Housing</b>								
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	5,776	5,776	0	5	0	375
<b>3,792</b>		<b>2,913</b>	<b>4,113</b>	<b>4,113</b>	<b>0</b>		<b>0</b>	<b>375</b>
<b>Strategic and Business Support Service</b>								
1,945	Strategic & Business Support	2,198	2,198	2,077	Cr 121	6	Cr 67	0
331	Learning & Development	394	394	334	Cr 60	6	0	0
<b>2,276</b>		<b>2,592</b>	<b>2,592</b>	<b>2,411</b>	<b>Cr 181</b>		<b>Cr 67</b>	<b>0</b>
<b>Children's Social Care</b>								
14,413	Care and Resources	17,238	17,214	17,504	290		327	254
1,544	Safeguarding and Quality Assurance	1,402	1,426	1,388	Cr 38		Cr 38	0
3,373	Safeguarding and Care Planning	3,499	3,499	3,499	0	7	0	0
3,615	Referral and Assessment	3,413	3,413	3,675	262		253	220
765	Bromley Youth Support Programme	817	817	817	0		0	0
4,025	Children's Disability Service	2,433	2,433	2,357	Cr 76		0	0
<b>27,735</b>		<b>28,802</b>	<b>28,802</b>	<b>29,240</b>	<b>438</b>		<b>542</b>	<b>474</b>
<b>Commissioning</b>								
3,311	Commissioning	3,105	3,156	3,159	3	8	Cr 18	0
0	Information & Early Intervention	1,278	1,226	1,280	54		0	0
22,327	Learning Disabilities	24,311	24,271	24,261	Cr 10	1	122	1,045
4,776	Mental Health Services	5,644	6,348	6,806	458	1	232	943
2,843	Supporting People	2,060	2,006	1,860	Cr 146	9	Cr 85	Cr 189
10,299	NHS Support for Social Care							
	- Expenditure	4,548	5,536	5,536	0		0	0
Cr 10,299	- Income	Cr 4,548	Cr 5,536	Cr 5,536	0		0	0
<b>33,257</b>		<b>36,398</b>	<b>37,007</b>	<b>37,366</b>	<b>359</b>		<b>251</b>	<b>1,799</b>
<b>Public Health</b>								
12,229	Public Health	12,230	12,230	11,859	Cr 371		Cr 135	0
Cr 12,601	Public Health - Grant Income	Cr 12,601	Cr 12,601	Cr 12,230	371		135	0
<b>Cr 372</b>		<b>Cr 371</b>	<b>Cr 371</b>	<b>Cr 371</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>107,078</b>	<b>TOTAL CONTROLLABLE CARE SERVICES ECHS</b>	<b>104,792</b>	<b>106,003</b>	<b>108,748</b>	<b>2,745</b>		<b>2,890</b>	<b>4,557</b>
2,398	<b>TOTAL NON CONTROLLABLE</b>	1,783	1,776	1,792	16		16	0
9,825	<b>TOTAL EXCLUDED RECHARGES</b>	10,893	10,893	10,893	0		0	0
<b>119,301</b>	<b>TOTAL CARE SERVICES ECHS DEPARTMENT</b>	<b>117,468</b>	<b>118,672</b>	<b>121,433</b>	<b>2,761</b>		<b>2,906</b>	<b>4,557</b>
<b>Environmental Services Dept - Housing</b>								
179	Housing Improvement	148	148	171	23	10	0	0
<b>179</b>	<b>TOTAL CONTROLLABLE FOR ENV SVCES DEPT</b>	<b>148</b>	<b>148</b>	<b>171</b>	<b>23</b>		<b>0</b>	<b>0</b>
Cr 325	<b>TOTAL NON CONTROLLABLE</b>	Cr 300	Cr 300	Cr 300	0		0	0
58	<b>TOTAL EXCLUDED RECHARGES</b>	354	354	354	0		0	0
<b>Cr 88</b>	<b>TOTAL FOR ENVIRONMENTAL SVCES DEPT</b>	<b>202</b>	<b>202</b>	<b>225</b>	<b>23</b>		<b>0</b>	<b>0</b>
<b>119,213</b>	<b>TOTAL CARE SERVICES PORTFOLIO</b>	<b>117,670</b>	<b>118,874</b>	<b>121,658</b>	<b>2,784</b>		<b>2,906</b>	<b>4,557</b>

Memorandum Item								
<b>Invest to Save projects: Savings against business case</b>								
30	Dementia Investment Plan	Cr 515	Cr 515	Cr 237	278		13	0
216	PD Investment Plan	Cr 345	Cr 345	Cr 66	279		184	0
<b>246</b>	<b>Invest to Save projects</b>	<b>Cr 860</b>	<b>Cr 860</b>	<b>Cr 303</b>	<b>557</b>		<b>197</b>	<b>0</b>
<b>Trading Accounts</b>								
Cr 33	Trading Account - Performance & Research	0	0	Cr 34	Cr 34		Cr 34	0
<b>Cr 33</b>	<b>Sub Total Trading Accounts</b>	<b>0</b>	<b>0</b>	<b>Cr 34</b>	<b>Cr 34</b>		<b>Cr 34</b>	<b>0</b>

**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

Increase in insurance premiums 4

*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

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

Provision for homelessness (impact of recession/changes to welfare benefits)

- Bed & Breakfast 653  
- Manorfields 547

**Total Variations** **1,204**

**2014/15 Latest Approved Budget** **118,874**

## REASONS FOR VARIATIONS

### 1. Adult Social Care and Commissioning - Care-Related Costs - Dr £2,800k

	£'000
<u>Adult Social Care:</u>	
Assessment & Care Management (18-65 and 65+)	2,157
Learning Disabilities Care Management (18-65 and 65+)	195
	<u>2,352</u>
<u>Commissioning:</u>	
Learning Disabilities (18-65 and 65+)	(10)
Mental Health (18-65 and 65+)	458
	<u>448</u>
Total Projected Overspend	<u>2,800</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 £2.8m 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 (see section below for further details)

#### Adult Social Care

The overspend in Adult Social Care can be further analysed as follows:

	Projected Variation £'000	Previous Variation £'000	Change £'000
<u>Physical Support / Sensory Support / Memory &amp; Cognition</u>			
Services for 65 + - Placements	1,313	1,102	211
- Domiciliary Care / Direct Payments	958	968	-10
Services for 18 - 64 - Placements	78	157	-79
- Domiciliary Care / Direct Payments	-192	-188	-4
	<u>2,157</u>	<u>2,039</u>	<u>118</u>

The £1.45m saving from the capping of Adult Social Care costs was allocated across both placements ( £1.031m, equivalent to 50 places) and domiciliary care/direct payments budgets ( £0.419m ) for the over 65's. Whilst placement numbers for the under 65's remain within the budget, those for the over 65's are currently showing 60 placements above budget, indicating that attempts to reduce numbers have not been successful. Since the last reported figures relating to July there has been a net increase of 3 placements. Costs for domiciliary care and direct payments have reduced slightly, but a large overspend remains in this area.

#### Commissioning

##### Learning Disabilities - Cr £10k

The projections include a number of assumptions on transition, increased client needs, carer breakdowns and the effect of Ordinary Residence transfers both in and out of Bromley. These assumptions have been reviewed in detail this cycle but there continues to be a significant element of forward projection in the reported figures; the position is likely to change as the year progresses.

The projected spend has reduced from the previous report by approx. £130k to a projected underspend position of £10k. This is due to a number of factors but has arisen mainly from limiting inflationary increases paid to providers, reduced future spend assumptions (potential placements being deferred / not materialising / at lower levels of cost), contract efficiencies and attrition.

#### Mental Health - Dr £458k

Based on current client PSR classifications in Carefirst, an overspend of £458k is anticipated on Mental Health care packages, mainly relating to the over 65 age group. However there appears to be a significant degree of client misclassification for Mental Health and, until this is resolved, it is difficult to manage or monitor budgets effectively. Both budgets and projections are likely to change once PSR issues are resolved. Current data indicates that the net number of Mental Health placements is increasing each cycle and it has now been assumed that this trend continues for the rest of the year.

#### **2. Learning Disabilities Day and Short Breaks Service - Cr £119k**

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 £119k is now reported as the service starts to bed down on the new site.

#### **3. Learning Disabilities Housing and Support - Cr £97k**

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 £97k.

#### **4. Direct Care - Cr £7k**

##### a) Extra Care Housing - Dr £236k

There is a significant pressure on the in-house ECH budgets, mainly due to the need to provide additional support to some service users with mental health / dementia needs. There has also been an increase in the number of flats being used as 'step down' facilities by care management, resulting in subsequent loss of income (as this is not a chargeable service). The overspend has increased by £38k since the last reported figure in July, and the main variations can be analysed as £296k overspend on staffing and £67k overachievement of income.

##### b) Transport Service- Cr £148k

Latest monitoring of the transport budget has identified a projected underspend of £148k, £43k in relation to staffing costs and £105k for transport related costs.

##### c) Reablement - Cr £95k

The underspend in this service relates to staffing, with increased vacancies in the service. As a result the team are carrying out less reablement of clients, which is likely to lead to increased costs within assessment and care management.

#### **5. Operational Housing - Dr £0k**

At its meeting on 15th October 2014, Executive approved the drawdown of £1.2m held in the central contingency earmarked for the impact of welfare reform; £653k for temporary accommodation payments, and £547k as a contribution to capital for the conversion of Manorfields into temporary accommodation. The total cost of the conversion is estimated to be £563k, with the £16k shortfall to be met from other Housing Needs budgets.

As a result of the drawdown, no variation is currently projected for temporary accommodation budgets. The current projection assumed continued growth of 15 clients per month combined with continuing rising unit costs. 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.

Although no variation is expected in-year, there is a projected full year effect pressure of £375k 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.

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, and the £16k shortfall above will be 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.

#### **6. Strategic and Business Support - Cr £181k**

A combination of part year vacancies, underspends on running expenses and projected net additional income from schools on the Performance and Research trading account is generating a forecast underspend of £181k

#### **7. Children's Social Care - Dr £438k**

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

#### Placements - Dr £43k

The children's placement budget is currently projected to overspend by £43k, 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 a reduction from the figure projected last time by £193k.

#### No Recourse to Public Funds - Dr £262k

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 £262k now being reported. The projection includes an assumption for new clients.

#### Leaving Care Clients - 16/17 year olds - Dr £220k

Expenditure relating to leaving care services for 16 and 17 year olds is projected to overspend due to increased numbers of children leaving care recently. This amount has increased by £128k from the last reported figure of £92k and relates to children previously receiving other services, mainly in-house fostering, or children receiving services for the first time. This could further increase if more children within this age group leave care requiring services.

#### Leaving Care Clients - 18 plus - Dr £27k

Expenditure relating to leaving care services for 18 year olds and over is projected to overspend as a result of delays relating to the reclaiming of housing benefits and the non recovery of some personal charges.

#### Children's Disability Service - Cr £76k

The current provision for the respite service agreement with Bromley CCG at Hollybank is expected to underspend by £45k this year. In addition costs relating to the Children's Disability team are expected to be £31k under budget.

#### Other miscellaneous budgets - Cr £38k

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

### **8. Commissioning - Dr £3k**

Although a relatively small total variation, the projected net overspend of £3k comprises:

	Projected variation £'000
Taxicard	-48
Commissioning staffing and related budgets	17
Deprivation of Liberty Safeguards	34
Projected net overspend	<u>3</u>

The underspend on Taxicard arises from a TfL and London Councils re-profiling exercise and lower than budgeted take-up in Bromley, resulting in a reduced charge. The overspend on Commissioning staffing costs is based on current staffing levels and may be negated by turnover as the year progresses.

A recent Supreme Court judgement relating to Deprivation of Liberty Safeguards 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 and it is anticipated, based on numbers so far this year, that this will result in additional spend of approx. £50k in 2014/15. This is offset in part by underspends elsewhere within the DoLS budget. It is likely that there will be further additional costs this year and, 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 included in a future report.

### **9. Supporting People - Cr £146k**

The projected underspend of £146k on Supporting People budgets arises from inflationary savings and the effect of re-tendering / extending contracts at a reduced cost. It should be noted that any savings arising from future re-tendering or contract extensions have not been assumed in this figure so the underspend may increase. There was a £270k saving built in to the 2014/15 budget and the £146k underspend is in excess of this.

### **10. Housing Improvement - Dr £23k**

There is a projected shortfall within renovation grant agency fee income of £18k, and other income of £8k. This is due to reduced activity on capital schemes which has had a corresponding effect on the fees earned. There are other minor variations across of the service of Cr £3k, giving rise to the net deficit of £23k.

## **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 and £50k has been included in the projected spend for this. 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 4 contract waivers agreed for the continuation of current contracts / new contracts of less than £50k each.
- (b) There were 16 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.

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
<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>								
<b>Education Division</b>								
Cr 401	Adult Education Centres	Cr 602	Cr 602	Cr 343	259	1	299	259
275	Alternative Education and Welfare Service	104	104	221	117	2	0	0
412	Schools and Early Years Commissioning & QA	565	565	474	Cr 91	3	0	0
4,451	SEN and Inclusion	4,772	4,772	4,782	10	4	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	5	0	743
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	6	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
<b>749</b>		<b>1,038</b>	<b>1,038</b>	<b>1,333</b>	<b>295</b>		<b>299</b>	<b>1,002</b>
<b>Children's Social Care</b>								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,468	1,468	0	7	90	0
1,889	Referral and Assessment Children's Centres	2,143	2,440	2,420	Cr 20	8	Cr 20	0
<b>3,679</b>		<b>3,611</b>	<b>3,908</b>	<b>3,888</b>	<b>Cr 20</b>		<b>70</b>	<b>0</b>
<b>4,428</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION - ECHS</b>	<b>4,649</b>	<b>4,946</b>	<b>5,221</b>	<b>275</b>		<b>369</b>	<b>1,002</b>
9,221	<b>Total Non-Controllable</b>	5,096	5,124	5,120	Cr 4		Cr 4	0
3,802	<b>Total Excluded Recharges</b>	3,386	3,386	3,386	0		0	0
<b>17,451</b>	<b>TOTAL EDUCATION PORTFOLIO - ECHS</b>	<b>13,131</b>	<b>13,456</b>	<b>13,727</b>	<b>271</b>		<b>365</b>	<b>1,002</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 13	10	}		0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 39	0			0
	Behaviour Support (Secondary) (RSG Funded)	Cr 61	Cr 61	56	117			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	Cr 53	Cr 53			0
	Blenheim Nursery (RSG Funded)	0	0	Cr 38	Cr 38			0
	Business Partnerships (RSG Funded)	0	0	0	0			0
	<b>Total Sold Services</b>	<b>Cr 138</b>	<b>Cr 138</b>	<b>Cr 102</b>	<b>36</b>		<b>0</b>	<b>0</b>

## 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
SEND Pathfinder Champion Grant Income	Cr	71
SEND Pathfinder Champion Grant Expenditure		71
SEND Implementation Grant Income	Cr	152
SEND Implementation Grant Expenditure		152
Increase in insurance premiums		7

## Latest Approved Budget for 2014/15

13,456

## **REASONS FOR VARIATIONS**

### **1. Adult Education - Dr £259k**

A continuation of the significant overspend in 2013/14 is projected for the Adult Education Service. A reduction in grant, tuition fee and other income totalling £312k has not been matched by the same level of reductions in the running costs of the service.

The overspend has reduced from the £299k reported for July, and has been achieved by keeping three part-time posts vacant, absorbing the Appropriate Body work thus generating additional income, and recharging accommodation costs to Workforce Development and Governor Services.

	Variations	
	£'000	
Skills Funding Agency grant		178
Tuition fee income		166
Lettings and other fees and charges	Cr	32
Business rates and other premises costs		25
Recharge to WD&GS	Cr	22
Supplies and services	Cr	36
Staffing	Cr	20
		<u>259</u>

### **2. Alternative Education and Welfare - Dr £117k**

From 2013/14, funding for Behaviour Services was delegated to schools. As a result, the Secondary Outreach team became a traded service selling to schools. At the end of July 2014, the service was closed and the staff assimilated into vacant posts within the Pupil Referral Unit's establishment, with the expectation that Bromley Trust Academy will continue the service now that the PRU has converted to academy status.

The final outturn position for the trading account is £117k overspent, slightly higher than anticipated as the service was unable to take in any additional pupils running up to the closure.

### **3. Schools and Early Years Commissioning and Quality Assurance - Cr £91k**

The two in-house nurseries are projected to generate a total surplus of £91k, a slight increase over 2013/14. The trading accounts, set up in April 2013, are not on a full cost recovery basis, so this surplus is only funding an element of the £185k recharges allocated. The service is currently undergoing a market testing exercise which might, depending on the level of rental income and concession fee agreed, result in a reduction of net income if delivered by an external provider.

	Variations	
	£'000	
Blenheim Nursery	Cr	38
Community Vision Nursery	Cr	53
	<b>Cr</b>	<b>91</b>

### **4. SEN and Inclusion - Dr £10k**

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. DfE later announced the SEND Implementation (New Burdens) Grant, with £259k allocated to LBB. At its meeting on 15th October 2014, Executive approved drawdown of £152k for 2014/15, with the remaining £107k ringfenced for drawdown in 2015/16. At the same meeting Executive also approved drawdown of the third year £71k allocation of the ringfenced SEND Pathfinder Champion Grant.

The current projection for the Education Psychology trading account is an overspend of £10k, a significant improvement over the £41k overspend in 2013/14. No variation is expected for the statutory element of the service.

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 (a requirement of the new legislation).

### **5. Education Services Grant - Dr £0k**

Current projections for the Education Services Grant (ESG) allocation is £476k 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 8 in-year conversions as at 1st October 2014 including the PRU, with a further 13 conversions approved by DfE, all expected to convert before December 2014. The projection also includes a further 6 conversions which DfE has either received an application for, or which are deemed likely to occur. The full year effect of these 27 conversions is £1,219k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

### **6. 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 £1,513k on DSG funded services as outlined below to be carried forward to 2015/16.

Current projections for SEN placements show a continuance of the underspend in 2013/14, primarily due to lower than budgeted numbers of children with £385k underspend projected for 2014/15. There is also an underspend anticipated for SEN equipment.

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 overspend by £3k.

There is an underspend of £37k in the sensory support service relating to posts to support pupils who have a sensory impairment, which are vacant as they are not currently required. There is also an underspend of £63k in the SEN pre-school service due to staffing vacancies.

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. DfE has since confirmed that this can in fact be distributed in-year as top-up funding, although it is expected that £91k of this will remain unspent.

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 area 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 £199k is now projected on the £11.4m total budget. There is also £231k of 2013/14 creditor provision which will remain unspent.

Continued growth in uptake is expected for FEE for 2 year olds in 2014/15. 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, resulting in an anticipated reduction to the DSG allocation of £1.3m, so this underspend will not continue. Subject to approval from Executive, the service intends 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.

Finally there are one off costs funded by the overall underspend above for HR support for academy conversions, consultancy costs for the Pupil Referral Unit IEB, temporary classroom rentals, initial costs relating to the Beacon House refurbishment and costs relating to the vacant Kingswood House.

	Variations	
	£'000	
SEN:		
- Placements	Cr	385
- Equipment	Cr	40
- Support in FE colleges		3
- Sensory support service	Cr	37
- Pre-school service	Cr	63
FEE:		
- 3 & 4 year olds provision	Cr	199
- Inclusion support	Cr	91
- 2 year olds provision	Cr	1,250
- Prior year provisions	Cr	231
Additional Early Years DSG allocation	Cr	314
Additional High Needs DSG deductions		53
Bulge classes		793
Carbon Reduction Commitments re 2013/14	Cr	13
One-off spends:		
- Support for academy conversions/IEB consultancy		40
- Temporary classroom rentals		190
- Beacon House refurbishment costs		8
- Kingswood House costs		23
	<b>Cr</b>	<b>1,513</b>

## **7. Youth Service - Dr £0k**

This service previously reported an expected overspend of £90k on salaries during 2014-15 whilst the total savings target of £360k were achieved. However, after the completion of the reorganisation in the summer, and a budget realignment to match the restructured universal and targeted provisions, a clearer picture of the revised service has emerged and it is now expected that there will be no overall variance.

## **8. 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.

## **9. 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.

**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 £100k) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers above £50k been approved since the last report to the Executive.

**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 £30k for funding of a counselling service in the Home and Hospital service 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	<b>Customer &amp; Support Services</b> Parking Support Services	Cr 6,036 1,198	Cr 6,036 1,198	Cr 6,205 1,133	Cr 169 Cr 65	1-4 5	Cr 73 0	0 0
<b>Cr 5,214</b>		<b>Cr 4,838</b>	<b>Cr 4,838</b>	<b>Cr 5,072</b>	<b>Cr 234</b>		<b>Cr 73</b>	<b>0</b>
76	<b>Public Protection - ES</b> Emergency Planning	75	75	75	0		0	0
<b>76</b>		<b>75</b>	<b>75</b>	<b>75</b>	<b>0</b>		<b>0</b>	<b>0</b>
4,135 2,540 Cr 18 5,775 481 17,085 <b>29,998</b>	<b>Street Scene &amp; Green Space</b> Area Management/Street Cleansing Highways Markets Parks and Green Space Street Regulation Waste Services	4,079 2,535 1 5,898 461 17,570 <b>30,544</b>	4,079 2,535 1 5,952 461 17,570 <b>30,598</b>	4,099 2,484 Cr 9 5,888 461 17,932 <b>30,855</b>	20 Cr 51 Cr 10 Cr 64 0 362 <b>257</b>	6 7 8 9 10	20 Cr 20 0 0 0 280 <b>280</b>	0 0 0 0 0 743 <b>743</b>
6,436 129 177 <b>6,742</b>	<b>Transport &amp; Highways</b> Highways incl London Permit Scheme Highways Planning Traffic & Road Safety	6,611 136 171 <b>6,918</b>	6,861 136 171 <b>7,168</b>	6,838 136 171 <b>7,145</b>	Cr 23 0 0 <b>Cr 23</b>	11	0 0 0 <b>0</b>	0 0 0 <b>0</b>
<b>31,602</b>	<b>TOTAL CONTROLLABLE</b>	<b>32,699</b>	<b>33,003</b>	<b>33,003</b>	<b>0</b>		<b>207</b>	<b>743</b>
7,391	<b>TOTAL NON-CONTROLLABLE</b>	6,386	6,481	6,456	Cr 25	8	Cr 19	0
2,035	<b>TOTAL EXCLUDED RECHARGES</b>	2,095	2,109	2,109	0		0	0
<b>41,028</b>	<b>PORTFOLIO TOTAL</b>	<b>41,180</b>	<b>41,593</b>	<b>41,568</b>	<b>Cr 25</b>		<b>188</b>	<b>743</b>

## 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

Increase in annual insurance premiums

98

Latest Approved Budget for 2014/15

41,593

## **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. It should be noted that not all the activity reports were available for September 2014 data from the new parking ICT system. It is expected that the reports will be available in November to carry out a more detailed analysis.

### **2. Off Street Car Parking Cr £64k**

Overall a surplus of £90k is projected for off street parking. There is a projected surplus of Cr £42k from Village Way multi-storey car park. Additional income of Cr £48k is projected from surface car parks: major variations are at Beckenham Leisure Centre Cr £17k relating to one-off permit income, Station Road Bromley Cr £10k, Fairfield Road, Beckenham Cr £14k, and Chislehurst and Hayes Cr £15k.

<b>Summary of variations within Off Street Car Parking</b>		<b>£'000</b>
Off Street Car Parking income - multi-storey car parks	Cr	42
Off Street Car Parking income - other surface car parks	Cr	48
<b>Total variations within Off Street Parking</b>	<b>Cr</b>	<b>90</b>

### **3. On Street Car Parking Cr £130k**

An overall surplus of £80k is projected for on street parking income. Major variations are within Bromley Town Centre with a net surplus of Cr £18k, a net surplus of Cr £16k from Petts Wood, Cr £20k from Orpington, and Cr £26k from Shortlands and other areas.

Management action is being taken to freeze the equipment budget of £50k to offset budget pressures across the other areas of the portfolio.

<b>Summary of variations within On Street Car Parking</b>		<b>£'000</b>
Income from Bromley Town Centre	Cr	18
Income from Petts Wood, Orpington & other areas	Cr	62
Management action - equipment budget	Cr	50
<b>Total variations within On Street Car Parking</b>	<b>Cr</b>	<b>130</b>

### **4. Car Parking Enforcement Cr £14k**

Based on activity levels up to September 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. It should be noted that not all the activity reports for September 2014 were available from the new parking ICT system. It is expected that the reports will be available in November to carry out a more detailed analysis.

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. Please note the comments above on the activity reports. It is expected that a more detailed analysis will be carried out in November.

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

<b>Summary of overall variations within Parking:</b>		<b>£'000</b>
Bus Routes Enforcement		65
Off Street Car Parking income	Cr	90
On Street Car Parking income	Cr	80
Management action - on street equipment budget	Cr	50
Car Parking Enforcement	Cr	14
<b>Total variation for Parking</b>	<b>Cr</b>	<b>169</b>

### **5. Support Services Cr £65k**

There is a projected net underspend within staffing of £25k as a result of not replacing the recently departed Assistant Director of Customer & Support Services. Additionally there is an underspend of £40k within Depot premises budgets, due to a one-off business rates rebate from 2013-14.

### **6. Area Management & Street Cleansing Dr £20k**

Within the FPN littering offence scheme there is a 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. Following renegotiation of contract arrangements, the scheme is expected to be cost neutral to the end of the financial year as any cost to income deficits will be covered by the contractor.

## **7. Highways SSGS Cr £51k**

There is a net projected underspend within staffing budgets including car allowances, of £17k due to the part-year effect of a vacant post.

A surplus of income is projected 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. A small surplus of income is also projected from street traders' licences of £5k, giving a net surplus of £25k for the service. This is being used to contribute towards deficits within the Street Scene and Green Space division.

Other miscellaneous income of Cr £9k has been transferred from the deposits register relating to highways works undertaken. The net projected variation for Highways SSGS is an underspend of £51k.

<b>Summary of variations within Highways SSGS</b>	<b>£'000</b>
Underspend within staffing, car allowances & leased cars	Cr 17
Surplus income - skip licences & street trader licences	Cr 25
Miscellaneous income	Cr 9
<b>Total variation for Highways SSGS</b>	<b>Cr 51</b>

## **8. Markets Cr £10k**

Projected income surplus of £10k, due to higher customer activity than previously anticipated.

## **9. Parks & Green Space Cr £64k**

Within staffing budgets there is a projected net underspend of £20k. This is largely due to vacancies within the Grounds Maintenance team.

Other miscellaneous income of Cr £9k has been transferred from the deposits register relating to parks works undertaken.

Management action has been taken to withhold £35k of expenditure within the parks budget to balance the overall portfolio budget. Therefore the net projected variation for Parks & Green Space is an underspend of £64k.

## **10. Waste Services Dr £362k**

There is currently projected to be a net overspend within waste disposal tonnages, excluding garden waste, of £179k. Actual tonnage is 450 tonnes above budget for the first six months of the year, and 1,380 tonnes above the same period in 2013-14. It is currently anticipated that there will be a year-end variation of 985 tonnes, resulting in an overspend of £179k. £60k of this variation relates directly to the extra disposal tonnage generated by the increase in trade waste delivered activity as reflected in the extra income projected. The balance of £119k is the net effect of the growth in residual household tonnage and the reduction in recycled paper tonnage.

In addition to the increase in residual disposal tonnage from households, the green garden waste tonnage is 1,514 higher for the first 6 months of the year when compared to the same period last year. The pattern of increased tonnages is expected to continue, and a year end variation of 2,500 tonnes is projected, resulting in an overspend of £113k.

The green garden waste collection service is projected to be underspent by £92k by the year end. This is due to a number of factors; Staffing and running expenses are expected to be £42k lower than budgeted and the fourth vehicle has only been required intermittently providing a saving of £45k. There is a projected net overachievement of income of £5k, which incorporates the continued sale of green garden waste stickers.

There is a projected deficit from paper recycling income of £150k 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 £90k. 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 £60k, resulting from higher activity than budgeted. This offsets the disposal costs of the additional tonnage generated.

There are other projected net variations across the service of Cr £18k. This is a combination of an underspend across the collection contract of Cr £22k and a minor net income deficit of Dr £4k.

<b>Summary of variations within Waste Services</b>	<b>£'000</b>
Waste disposal tonnages	292
Underspend from green garden waste collection scheme	Cr 92
Paper recycling income	150
Trade waste collection income	90
Trade waste delivered income	Cr 60
Other net variations	Cr 18
<b>Total variation for Waste Services</b>	<b>362</b>

## **11. Highways (incl London Permit Scheme) Cr 23k**

There is a projected underspend on salaries of £35k resulting from part-year vacant posts.

Within NRSWA income, there is a net projected deficit of £50k. This largely relates to income from defect notices where in recent months the value of invoices raised has fallen below previous expectations. Management action is being taken across the service to freeze non-essential expenditure to the value of £15k, to ensure a balanced portfolio budget.

Other miscellaneous income of Cr £23k has been transferred from the deposits register relating to highways works undertaken.

<b>Summary of variations within Highways (incl London Permit Scheme)</b>		<b>£'000</b>
Underspend within staffing	Cr	35
NRSWA income deficit		50
Management action on non-essential expenditure	Cr	15
Miscellaneous income from deposit register	Cr	23
<b>Total variation for Highways</b>	<b>Cr</b>	<b>23</b>

#### **12.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 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 £100k) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers above £50k been approved since the last report to the Executive.

#### **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	305	305	0		0	0
322	Mortuary & Coroners Service	348	348	348	0	1	0	0
1,779	Public Protection	1,865	1,873	1,838	Cr 35	2	0	0
<b>2,534</b>	<b>TOTAL CONTROLLABLE</b>	<b>2,526</b>	<b>2,526</b>	<b>2,491</b>	<b>Cr 35</b>		<b>0</b>	<b>0</b>
191	<b>TOTAL NON CONTROLLABLE</b>	6	6	6	0		0	0
281	<b>TOTAL EXCLUDED RECHARGES</b>	94	94	94	0		0	0
<b>3,006</b>	<b>PORTFOLIO TOTAL</b>	<b>2,626</b>	<b>2,626</b>	<b>2,591</b>	<b>Cr 35</b>		<b>0</b>	<b>0</b>

Reconciliation of Latest Approved Budget £'000

Original Budget 2014/15 2,626

Latest Approved Budget for 2014/15 2,626

## **REASONS FOR VARIATIONS**

### **1. Mortuary and Coroners Service £0k**

There is no overall variation projected based on information received to date. The London Borough of Croydon, who administer the Coroners Service on behalf of a consortium of four local authorities including Bromley, was late in providing a completed out turn statement for 2013/14 and budget for 2014/15. Confirmation of 2014/15 payments are awaited. The new contract for the Mortuary at Princess Royal University Hospital has not yet been finalised. There is no variation projected on this budget at present, however the new contract will fluctuate with numbers compared to the existing set price contract.

### **2. Public Protection Cr £35k**

There is likely to be a net surplus of around £35k within Public Protection. £18k is as a result of underspends on Employee costs, due to vacancies including that of the CCTV manager. There are minor projected variations on supplies and services totalling Cr £7k. There are some minor variations on income to date but as the bulk of the licence fee income is not due until the second half year, no variation is projected.

The number of dogs being kept in kennels and associated medical costs during the winter months have been less than expected, Cr £10k. This figure could be as high as Cr £30k depending on the activity over the winter months.

#### **Summary of variations within Public Protection:**

	<b>£'000</b>
Variations within employee costs	Cr 18
Net variations on Supplies and Services	Cr 7
Stray dogs kennelling contract	Cr 10
<b>Total variation for Public Protection</b>	<b>Cr 35</b>

#### **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 £100k) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers above £50k been approved since the last report to the Executive.

#### **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
	<b>R&amp;R PORTFOLIO</b>							
0	<b>Commissioning Fund</b> Commissioning Fund	0	0	0	0		0	0
<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
Cr 16	<b>Housing Strategy &amp; Development</b> Housing Strategy & Development	Cr 14	Cr 14	Cr 14	0		0	0
<b>Cr 16</b>		<b>Cr 14</b>	<b>Cr 14</b>	<b>Cr 14</b>	<b>0</b>		<b>0</b>	<b>0</b>
Cr 23	<b>Planning</b> Building Control	12	12	Cr 8	Cr 20	1	Cr 10	0
Cr 165	Land Charges	Cr 168	Cr 168	Cr 168	0		0	0
492	Planning	649	649	489	Cr 160	2	Cr 40	0
1,119	Renewal	1,093	1,153	1,142	Cr 11	3	Cr 20	0
<b>1,423</b>		<b>1,586</b>	<b>1,646</b>	<b>1,455</b>	<b>Cr 191</b>		<b>Cr 70</b>	<b>0</b>
2,029	<b>Recreation</b> Culture	1,902	1,928	1,988	60	4	60	0
4,882	Libraries	4,656	4,913	5,113	200	5	200	0
243	Town Centre Management & Business Support	240	240	240	0		0	0
<b>7,154</b>		<b>6,798</b>	<b>7,081</b>	<b>7,341</b>	<b>260</b>		<b>260</b>	<b>0</b>
<b>8,561</b>	<b>Total Controllable R&amp;R Portfolio</b>	<b>8,370</b>	<b>8,713</b>	<b>8,782</b>	<b>69</b>		<b>190</b>	<b>0</b>
9,276	<b>TOTAL NON CONTROLLABLE</b>	2,577	2,601	2,601	0		Cr 2	0
2,215	<b>TOTAL EXCLUDED RECHARGES</b>	2,275	2,261	2,261	0		0	0
<b>20,052</b>	<b>PORTFOLIO TOTAL</b>	<b>13,222</b>	<b>13,575</b>	<b>13,644</b>	<b>69</b>		<b>188</b>	<b>0</b>

## Reconciliation of Latest Approved Budget

£'000

## Original budget 2014/15

13,222

Repairs &amp; 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

Increase in annual insurance premiums

7

## Latest Approved Budget for 2014/15

13,575

## **REASONS FOR VARIATIONS**

### **1. Building Control Cr £20k**

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 £90k arising from reduced hours working / vacancies. In accordance with Building Account Regulations, the net surplus of £20k 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 £20k.

### **2. Planning Cr £160k**

Income from non-major planning applications is £58k above budget for the first six months of the year, and a surplus of £100k is projected for the year. For information, actual income received for April to August is £70k higher than that received for the same period last year.

For major applications, £185k has been received as at 30th September 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 £235k. Allowing for delays in some of this income being received, as well as other items not being received at all, a balanced budget of £300k is being projected for major applications at this stage of the year.

There is projected surplus income of £60k from pre-application meetings due to higher than budgeted activity levels. Following several recent departures across the service, there is a projected underspend on staffing budgets of £40k.

Within legal expenses, there is a projected overspend of £40k. This is largely due to the projected costs of a public enquiry where costs are being incurred for consultants to provide specialist advice.

#### **Summary of variations within Planning:**

	<b>£'000</b>
Surplus income from non-major applications	Cr 100
Balanced budget within major applications	0
Surplus pre-application income	Cr 60
Underspend within staffing	Cr 40
Overspend on legal expenses	40
<b>Total variation for planning</b>	<b>Cr 160</b>

### **3. Renewal Cr £11k**

Within salaries, there is a projected net underspend of £11k. 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 £100k) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers above £50k been approved since the last report to the Executive.

## **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
	<b>CHIEF EXECUTIVE'S DEPARTMENT</b>							
	<b>FINANCIAL SERVICES DIVISION</b>							
	<b>Financial Services &amp; Procurement</b>							
1,552	Exchequer - Payments & Income	1,687	1,687	1,673	Cr 14	1	Cr 16	
4,729	Exchequer - Revenue & Benefits	6,697	6,431	6,082	Cr 349	2	Cr 299	Cr 327
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	1,610	Cr 39	3	Cr 33	
392	Procurement	410	441	442	1		1	
<b>8,996</b>	<b>Total Financial Services Division</b>	<b>11,238</b>	<b>11,003</b>	<b>10,602</b>	<b>Cr 401</b>		<b>Cr 347</b>	<b>Cr 327</b>
	<b>CORPORATE SERVICES DIVISION</b>							
4,391	<b>Information Systems &amp; Telephony</b>	4,512	4,665	4,623	Cr 42	4	Cr 23	
	<b>Operational Property Services</b>							
Cr 3	CDM	0	0	0	0		0	
146	Client & Facilities Services	153	153	151	Cr 2	5	Cr 2	
42	Property Services Planned	1	1	80	79		3	
244	Property Services Reactive	176	216	254	38		79	
1,923	<b>Repairs &amp; Maintenance (All LBB)</b>	1,886	2,293	2,293	0		0	40 26
	<b>Customer Services &amp; Bromley Knowledge</b>							
100	Bromley Knowledge	10	10	10	0		0	
832	Contact Centre	831	897	943	46	6	2	
	<b>Legal Services &amp; Democracy</b>							
1,490	Democratic Services	1,539	1,539	1,466	Cr 73	7	Cr 70	
317	Electoral	310	310	311	1		0	
1,625	Legal Services	1,583	1,583	1,576	Cr 7	8	Cr 15	
Cr 118	Registration of Births, Deaths & Marriages	Cr 93	Cr 93	Cr 84	9	9	2	
1,850	Admin. Buildings	1,838	1,798	1,712	Cr 86	10	Cr 134	
461	Facilities & Support	484	484	452	Cr 32	11	Cr 33	
<b>166</b>	<b>Management and Other (Corporate Services)</b>	<b>166</b>	<b>166</b>	<b>166</b>	<b>0</b>		<b>0</b>	
<b>13,466</b>	<b>Total Corporate Services Division</b>	<b>13,396</b>	<b>14,022</b>	<b>13,953</b>	<b>Cr 69</b>		<b>Cr 191</b>	<b>66</b>
	<b>HR DIVISION</b>							
1,379	Human Resources	1,521	1,521	1,495	Cr 26	12	21	
<b>1,379</b>	<b>Total HR Division</b>	<b>1,521</b>	<b>1,521</b>	<b>1,495</b>	<b>Cr 26</b>		<b>21</b>	<b>0</b>
	<b>CHIEF EXECUTIVE'S DIVISION</b>							
766	Audit	846	846	753	Cr 93	13	Cr 93	
110	Comms	210	210	210	0		0	
641	Management and Other (C. Exec)	588	588	634	46	14	46	
144	Mayoral	178	178	124	Cr 54	15	Cr 54	Cr 32
<b>1,661</b>	<b>Total Chief Executive's Division</b>	<b>1,822</b>	<b>1,822</b>	<b>1,721</b>	<b>Cr 101</b>		<b>Cr 101</b>	<b>Cr 32</b>
	<b>TRANSFORMATION &amp; REGENERATION DIVISION</b>							
	<b>Strategic Property Services</b>							
254	Investment & Non-Operational Property	397	408	283	Cr 125	16	Cr 100	
559	Strategic Property Services	619	619	615	Cr 4		0	
Cr 4,869	Investment Income	Cr 6,345	Cr 6,356	Cr 5,515	841	17	1,419	429
Cr 802	Other Rental Income - Other Portfolios	Cr 780	Cr 794	Cr 806	Cr 12	18	Cr 6	
<b>Cr 4,858</b>	<b>Total Transformation &amp; Regeneration Division</b>	<b>Cr 6,109</b>	<b>Cr 6,123</b>	<b>Cr 5,423</b>	<b>700</b>		<b>1,313</b>	<b>429</b>
<b>20,644</b>	<b>Total Controllable Departmental Budgets</b>	<b>21,868</b>	<b>22,245</b>	<b>22,348</b>	<b>103</b>		<b>695</b>	<b>136</b>
	<b>CENTRAL ITEMS</b>							
7,610	<b>CDC &amp; Non Distributed Costs (Past Deficit etc.)</b>	7,450	7,450	7,450	0		0	
9,650	<b>Concessionary Fares</b>	9,900	10,433	10,433	0		0	
<b>37,904</b>	<b>Total Controllable</b>	<b>39,218</b>	<b>40,128</b>	<b>40,231</b>	<b>103</b>		<b>695</b>	<b>136</b>

## 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 Cr 19,007 Cr 1,382 802	<b>Total Non Controllable</b> <b>Total Excluded Recharges</b> <b>Less: R&amp;M allocated across other Portfolios</b> <b>Less: Rent allocated across other Portfolios</b>	2,032 Cr 20,013 Cr 1,531 780	2,032 Cr 20,013 Cr 1,569 794	2,032 Cr 20,013 Cr 1,569 806	0 0 0 12		0 0 0 6	
<b>24,434</b>	<b>TOTAL CHIEF EXECUTIVE'S DEPARTMENT</b>	<b>20,486</b>	<b>21,372</b>	<b>21,487</b>	<b>115</b>		<b>701</b>	<b>136</b>
<b>24,434</b>	<b>TOTAL RESOURCES PORTFOLIO</b>	<b>20,486</b>	<b>21,372</b>	<b>21,487</b>	<b>115</b>		<b>701</b>	<b>136</b>
	<b>Memorandum Item</b>					19		
	<b>Sold Services</b>							
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	24	15	Cr 9		22	
Cr 43	Finance Schools Trading Account	Cr 13	Cr 13	Cr 33	Cr 20		Cr 21	
8	Facilities Schools Trading Account	0	0	0	0		0	
Cr 3	Reactive Maintenance Schools Trading Account	0	0	15	15		1	
<b>Cr 58</b>	<b>Total Sold Services</b>	<b>8</b>	<b>8</b>	<b>Cr 6</b>	<b>Cr 14</b>		<b>2</b>	<b>0</b>

**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

Increase in insurance costs

0

**Latest Approved Budget for 2014/15****21,372**

## **REASONS FOR VARIATIONS**

### **FINANCIAL SERVICES DIVISION**

#### **1 Exchequer Services - Payments & Income - £14k Cr**

An underspend of £14k Cr is projected for Payments & Income. £10k Cr relates to staffing, due to reduced hours and other staff changes. Other minor variations net out to 4k Cr.

#### **2 Exchequer Services - Revenue & Benefits - £349k Cr**

An overall underspend of £349k Cr is projected for Revenue & Benefits. £75k 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 £95k 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 £132k Cr are expected on licence and support costs for Exchequer systems. Additional income of £47k Cr is projected for court costs recovered. These underspends are offset additional costs relating to the introduction of kiosk payment facilities £24k and reduced income from payroll charges to schools of £24k. Other minor variations total £15k Cr. It is currently expected that there will be ongoing underspends of approx. £327k Cr, mainly relating to the contract budget, licences and support and court cost recovered.

#### **3 Management Accounting & Systems - 39k Cr**

An underspend of £39k Cr is projected for Management Accounting and Systems. £21k Cr relates to additional net income expected from Finance Services sold to schools. The remaining £18k Cr mainly relates to minor variations on salaries.

### **CORPORATE SERVICES DIVISION**

#### **4 Information Systems & Telephony - £42k Cr**

The ISD is projecting an underspend of £42k Cr. This mainly relates to staffing. An underspend on the vacant Head of IT post, is being offset by additional acting up allowances pending further discussion about the future of the post and the structure of the division.

#### **5 Operational Property Services £115k Dr**

The latest forecast for Operational Property is a net overspend of £115k. This comprises of the following :

A net overspend of £38k is projected for the reactive service. This is made up of two areas:

There is a historic budget shortfall of £26k Dr re savings that have yet to be achieved (originally £66k but £40k has now been vired within the Corporate Services Division). In addition, a reduction in the take-up of the caretaking service is expected to result in a net income shortfall of £12k Dr.

An overspend of £79k Dr is projected for the planned service. There is an expected shortfall in charges to education and other capital schemes due to a reduction in the volume of work requested by schools and other establishments. This is partially offset by the deletion of one post in the team following a voluntary redundancy.

A small underspend of £2k Cr, projected on salaries within property services management, helps to offset the above.

#### **6 Contact Centre £46k Dr**

A saving anticipated as a result of outsourcing of £46k was built into the 2014-15 budget. It had been hoped that this would have been offset by the first tranche of savings from the transfer of functions in to the Contact Centre. Unfortunately, as a result of delays in progressing the transfer of functions, it is unlikely that the saving will be achieved this financial year. One off set up costs of £330k, required to set up the new contract, were treated as an invest to save investment. Savings of £376k will need to be identified, over the next few years, to meet the budget saving and pay back this investment.

#### **7 Democratic Services - £73k Cr**

An underspend of £73k Cr is projected for Democratic Services. A freeze in Members Allowance rates, and the removal of Members from the pension scheme from June 14, has resulted in an expected underspend of £102k Cr. This is offset by expected costs of £29k relating to the purchase of IPADs.

#### **8 Legal Services - £7k Cr**

An underspend of £7k Cr, relating to staffing, is projected for Legal Services. 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.

#### **9 Registrar Service - £9k Dr**

An overspend of £9k is currently projected for the Registrar Service. This is attributed to a potential shortfall income of £10k, offset by a small saving within salaries. Income received so far this year from Nationality Checking and Citizenship Ceremonies has been less than anticipated. Changes imposed by the Home Office, and backlogs, are influencing this reduction in income. There is a possibility that the position may improve later in the financial year, but for now, a prudent view is being taken.

#### **10 Admin Buildings - £86k Cr**

An underspend of £86k Cr is projected for Admin Buildings.

A £25k 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.

A virement of £40k has been actioned from the NNDR budgets, within Civic Centre and Walnuts, to deal with budget pressures within Operational Property, thus reducing the NNDR underspend to £21k Cr (previously reported as £61k). An underspend of £44k Cr is anticipated on the office cleaning contract following re-tendering of the service. These underspends are offset by a shortfall in car parking income of £9k Dr. Other minor savings across the service total £5k Cr.

#### **11 Facilities & Support - £32k Cr**

An underspend of £32k Cr is projected for Facilities and Support. A vacant post within office services, and a retirement in the caretaking section result in a £35k reduction in salary costs. Both posts are being covered within the establishment. This underspend is being offset by additional running costs of £3k Dr.

### **HR DIVISION**

#### **12 Human Resources - £26k Cr**

The HR Division is projecting an underspend of £26k Cr. There is an expected underspend on salary costs of £31k Cr mainly resulting from a re-structure of HR Operations and delays in recruiting interns. This is offset by a projected overspend on running expenses of £5k mainly due to a residual element of the 14-15 savings target which needs to be identified.

### **CHIEF EXECUTIVE'S DIVISION**

#### **13 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.

#### **14 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.

#### **15 Mayoral - £54k Cr**

An underspend of £54k Cr is projected for Mayoral Services. In addition to the long standing vacant Mayoral attendant post, the Mayoral service manager post has now become vacant. These posts are currently being covered by existing staff, pending discussion about the future structure of the team.

### **TRANSFORMATION & REGENERATION DIVISION**

#### **16 Investment and Non-Operational Property (expenditure) £125k Cr**

The latest projection for Investment and Non Operational Property is an underspend of £125k Cr. This comprises of the following items:

Bromley Old Town Hall (the building is vacant and listed) - An underspend of £180k cr is expected which consists of £25k cr on utilities, £101k cr on business rates, £30k cr on other hired and contracted services, £21k cr on security costs and £3k cr on pest control.

Surplus Properties - An overspend of £100k dr is projected. This relates to additional costs of £73k dr for utilities, £22k dr for business rates and £5k dr for the security at Oakfield.

Anerley Business Centre - An underspend of £37k cr is projected which consists of £3k cr on utilities, £13k cr on business rates, an additional income of £11k cr is expected from The Trust (CPCDT) and an additional income of £10k cr has been projected on fees and charges.

Sundry Properties - An underspend of £13k cr is projected for utilities.

Properties Held for Investment - An overspend of £5k dr is projected due to utility costs and for the cleaning costs for the walkway from the link bridge to the Glades.

#### **17 Investment Income £841k 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. A number of High Street properties have been purchased costing £28.7M and the income projected for these properties is £1,190k this financial year, resulting in an estimated shortfall of £835k. The full year income for these properties would be £1,669k. Further acquisitions are currently being explored.

In addition to the above, a shortfall in income of £73k is projected for the Walnuts Head Rent based upon information from Garden Property Investments Ltd and our Principal Valuer.

Other variations in rental income net out to £67k Cr.

#### **18 Other Rental Income - Other Portfolios £12k Cr**

Various minor variations net out to £12k Cr.

#### **19 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 to the Executive, the following waivers have been actioned :

Exemption from tendering arrangements for appointment of consultant to identify and advise on Investment Acquisitions. Fee based on percentage of purchase price, annual contract value likely to be a minimum of £23,000 but under £50,000. Contract for period of 1 year from August 2014. Approval based on CPR 13.1 - Agreement of the Chief Officer to negotiate - to allow for flexibility around the scope and volume of activity that may be required to maximise investment opportunities.

Agreement to Single Tender Action procedure. This relates to the use of the ESPO framework to run a mini competition for the selection of a consultant to act for the Council in undertaking the next phase of the investment acquisition programme. This covers acquisitions of up to £50 million of property in the South-East of England at an estimated fee of up to £500,000. Approved based on CPR 3.4.

#### **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 Corporate Services has approved an ongoing virement of a budget of £40K from Admin. Bldgs. Business Rates to Operational Property to help address the historic budget shortfall in that service.

## 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	
	£	£	£	£	£	£
<b>Environmental Services</b>						
Street Environment contract	200,000			200,000	200,000	0
<b>Renewal and Recreation</b>						
Planning appeals - change in legislation	60,000			60,000	60,000	0
<b>Resources</b>						
Net shortfall of Glades income	114,000			114,000	114,000	0
<b>Care Services</b>						
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
Winter Resilience Funding (grant CCG)						
- Increase Care Packages				500,000	500,000	500,000
- Increase Equipment Costs				180,288	180,288	180,288
- Income				Cr 680,288	Cr 680,288	Cr 680,288
<b>Education</b>						
Net impact of reduction in funding arising from LACSEG	1,960,000			519,000	519,000	Cr 1,441,000
<b>General</b>						
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		0	1,200,000	(5)
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		Cr 224,890		0	Cr 224,890	Cr 224,890
	<b>11,597,000</b>	<b>1,970,410</b>	<b>0</b>	<b>7,610,977</b>	<b>9,581,387</b>	<b>Cr 2,015,613</b>
<b>Grants included within Central Contingency Sum</b>						
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 Champion Grant						
Grant related expenditure	44,600	71,063		0	71,063	(5)
Grant related income	Cr 44,600	Cr 71,063		0	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	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	(4) Cr 66,463
- income		Cr 66,463		0	Cr 66,463	66,463
Individual Electoral Registration Process						
- expenditure		102,335		0	102,335	(3) Cr 102,335
- income		Cr 102,335		0	Cr 102,335	102,335
Care Bill Implementation Grant						
- expenditure				Cr 125,000	Cr 125,000	Cr 125,000
- income				Cr 125,000	Cr 125,000	125,000
SEND Implementation Grant						
- expenditure		151,960		Cr 107,357	Cr 259,317	(5) Cr 259,317
- income		Cr 151,960		Cr 107,357	Cr 259,317	259,317
Pothole Funding (DFT)						
- expenditure				Cr 504,982	Cr 504,982	Cr 504,982
- income				Cr 504,982	Cr 504,982	504,982
Staying Put Implementation Grant						
- expenditure		36,487			36,487	(4) Cr 36,487
- income		Cr 36,487			Cr 36,487	36,487
Additional grant for administration re change in Benefit legislation relating to persons from abroad						
- expenditure				Cr 9,225	Cr 9,225	Cr 9,225
- income				Cr 9,225	Cr 9,225	9,225
<b>Total Grants</b>	<b>253,000</b>	<b>250,000</b>	<b>0</b>	<b>Cr 1,510</b>	<b>248,490</b>	<b>0</b> <b>Cr 4,510</b>
<b>TOTAL CARRIED FORWARD</b>	<b>11,850,000</b>	<b>2,220,410</b>	<b>0</b>	<b>7,609,467</b>	<b>9,829,877</b>	<b>Cr 2,020,123</b>

## Notes:

- (1) Approved by Executive 2nd April 2014
- (2) Approved by Executive 10th June 2014
- (3) Approved by Executive 16th July 2014
- (4) Approved by Executive 10th September 2014
- (5) Approved by Executive 15th October 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	
	£	£	£	£	£	£
<b>TOTAL BROUGHT FORWARD</b>	<b>11,850,000</b>	<b>2,220,410</b>	<b>0</b>	<b>7,609,467</b>	<b>9,829,877</b>	<b>Cr 2,020,123</b>
<b>Items Carried Forward from 2013/14</b>						
<b>Care Services</b>						
Social Care Funding via the CCG under S256 (Invest to Save)						
- expenditure	840,920	488,920		352,000	840,920	(3) 0
- income	Cr 840,920	Cr 488,920		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	(7) 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	345,700		139,569	485,269	(9) 0
- income	Cr 485,269	Cr 345,700		Cr 139,569	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		0	42,264	(8) 0
- income	Cr 42,264	Cr 42,264		0	Cr 42,264	0
<b>Chief Executive's</b>						
CCG Funding to Comms Team						
- expenditure	9,806	9,806		0	9,806	(8) 0
- income	Cr 9,806	Cr 9,806		0	Cr 9,806	0
Cabinet Office Funding						
- expenditure	22,260	22,260		0	22,260	(8) 0
- income	Cr 22,260	Cr 22,260		0	Cr 22,260	0
<b>Renewal &amp; Recreation</b>						
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
<b>General</b>						
Disaster Recovery Solution	105,000	105,000		0	105,000	(8) 0
Contact Centre	26,342	26,342		0	26,342	(8) 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
	<b>1,147,279</b>	<b>553,342</b>	<b>0</b>	<b>593,937</b>	<b>1,147,279</b>	<b>0</b>
<b>Grants included within Central Contingency Sum</b>						
Adult Social Care Data						
- expenditure	30,674			30,674	30,674	0
- income	Cr 30,674			Cr 30,674	Cr 30,674	0
<b>Total Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Carried Forward</b>	<b>1,147,279</b>	<b>553,342</b>	<b>0</b>	<b>593,937</b>	<b>1,147,279</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>12,997,279</b>	<b>2,773,752</b>	<b>0</b>	<b>8,203,404</b>	<b>10,977,156</b>	<b>Cr 2,020,123</b>

Notes:

- (1) Approved by Renewal & Recreation PDS 23rd June 2014
- (2) Approved by Executive 12th February 2014
- (3) Approved by Executive 16th July & 10th September 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
- (7) Approved by Care Services PDS October 2013
- (8) Approved by Executive 10th September 2014
- (9) Approved by Executive 15th October 2014

**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 27 conversions projected to take place during 2014/15 is £1,219k. Assuming that the in year shortfall of £476k is drawn down from contingency, the full year effect is reduced to £743k.
Adult Education	Cr 602	259	The current projected overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into 2015/16. Some efficiency savings have been implemented to help contain this, however there is a total income shortfall of £312k, with only a net reduction of £53k on running costs to offset this.
Housing Needs - Temporary Accommodation	5,776	0	The full year effect of the current projections for temporary accommodation anticipated to be a pressure of £375k in 2015/16. This includes the £653k draw down from contingency in 2014/15 for the impact of welfare reforms approved by Executive on 15th Oct 2014. 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	2,800	The net overspend on adult care placements is forecast to produce a full year overspend of £4,113k, 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 119	The underspend currently reported in 2014/15 is expected to continue into next year.
Learning Disabilities Housing & Support	1,383	Cr 97	The underspend currently reported in 2014/15 is expected to continue into next year.
Supporting People	2,006	Cr 146	Based on current contracts a full year underspend of £189k is anticipated.
Children's Social Care - Placements	12,800	43	The full year effect of the current projection is calculated at a £254k overspend. Officers continue to work towards increasing the number of in-house foster carers so that expensive external placements can be avoided.
Children's Social Care - No Recourse to Public Funds	382	262	The full year effect of clients who have no recourse to public funds and Bromley are having to pay for has been calculated at £220k 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	6,430	Cr 349	It is currently expected that there will be ongoing underspends of approx. £327k Cr, mainly relating to the contract budget, court cost recovered and
Operational Property Services	369	115	The historic budget shortfall has reduced from £66K to £26k following an ongoing virement. An additional area of concern, however, is a reduction in work chargeable to capital schemes (mainly Education) which if current trends continue, would result in a full year shortfall of £40k. The Director of Corporate Services continues to explore ways of mitigating these variations.
Investment Income	Cr 6,356	841	An ongoing income shortfall of £429k is currently projected. Income of £2,025k is budgeted for the investment in Property, however the expected income, from properties purchased to date, is £1,669k resulting in a shortfall of £356k. Further property acquisitions are currently being explored. In addition a shortfall of £73k is projected for The Walnuts Rent Share.
Democratic Services	1,539	Cr 73	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 on going underspend of £32k Cr is projected for Mayoral Services. This relates to a vacant Mayoral attendant post.
Waste	8,573	472	Actual tonnage (excluding Garden Waste) is 450 tonnes above budget for the first six months of the year and a year-end deficit of 985 tonnes is projected. There is also an increase in Garden Waste tonnages, and a year-end variation of 2,500 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 a full-year effect of £743k is projected. The changes in tonnages reflect national trends are largely outside of our control. A growth bid will be submitted for the full-year effect of these variances. Other 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:

<b>31 March</b>				<b>Actual</b>
<b>2014</b>	<b>Service</b>	<b>Income</b>	<b>Expenditure</b>	<b>as at</b>
<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>30 Sep</b>
			<b>Transfers (to)</b>	<b>2014</b>
			<b>/from Capital</b>	<b>£000</b>
			<b>£000</b>	
<b><u>Revenue</u></b>				
679	Highway Improvement Works			679
5	CCTV		5	-
45	Road Safety Schemes			45
120	Local Economy & Town Centres			120
69	Parking		12	57
-	Landscaping			-
727	Healthcare Services	16	25	718
40	Community Facilities (to be transferred to capital)			40
10	Other	-	-	10
1,695		16	42	-
				1,669
<b><u>Capital</u></b>				
0	Local Economy & Town Centres			-
1,571	Education	286	456	1,401
4,461	Housing	748	434	4,775
-	Community Facilities			-
6,032		1,034	890	-
				6,176
<b>7,727</b>		<b>1,050</b>	<b>932</b>	<b>-</b>
				<b>7,845</b>