

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 26/11/14 £'000
Care Services	104,941	1,414	106,355	107,625	1,270	2,768
Education (incl. Schools' Budget)	4,649	306	4,955	4,914	Cr 41	275
Environment	32,699	315	33,014	32,925	Cr 89	0
Public Protection & Safety	2,526	3	2,529	2,494	Cr 35	Cr 35
Renewal and Recreation	8,370	402	8,772	8,763	Cr 9	69
Resources	39,218	930	40,148	39,924	Cr 224	103
<b>Total Controllable Budgets</b>	<b>192,403</b>	<b>3,370</b>	<b>195,773</b>	<b>196,645</b>	<b>872</b>	<b>3,180</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>3,486</b>	<b>211,800</b>	<b>212,672</b>	<b>872</b>	<b>3,180</b>
<b>Central Items:</b>						
<b>Interest on General Fund Balances</b>	Cr 1,591	0	Cr 1,591	Cr 2,691	Cr 1,100	Cr 800
<b>Contingency Provision (see Appendix 3)</b>	11,850	Cr 1,932	9,918	8,116	Cr 1,802	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	0	8,004	8,004	0	0
Levies	1,423	0	1,423	1,423	0	0
<b>Total other central items</b>	<b>Cr 6,308</b>	<b>0</b>	<b>Cr 6,308</b>	<b>Cr 6,308</b>	<b>0</b>	<b>0</b>
<b>Total All Central Items</b>	<b>3,951</b>	<b>Cr 1,932</b>	<b>2,019</b>	<b>Cr 883</b>	<b>Cr 2,902</b>	<b>Cr 2,820</b>
<b>Bromley's Requirement before balances</b>	<b>212,265</b>	<b>1,554</b>	<b>213,819</b>	<b>211,789</b>	<b>Cr 2,030</b>	<b>360</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	0	Cr 407	Cr 407	0	407	407
<b>Adjustment to Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>474</b>	<b>474</b>	<b>Cr 1,916</b>
Revenue Support Grant	212,265	0	212,265	212,263	Cr 2	Cr 2
Business Rates Retention	Cr 42,031	0	Cr 42,031	Cr 42,031	0	0
New Homes Bonus	Cr 35,265	0	Cr 35,265	Cr 35,265	0	0
C Tax Freeze Grant	Cr 5,040	0	Cr 5,040	Cr 5,038	2	2
Local Services Support Grant	Cr 1,381	0	Cr 1,381	Cr 1,381	0	0
Collection Fund Surplus	Cr 144	0	Cr 144	Cr 144	0	0
Bromley's Requirement	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)	1,932
	<u>3,486</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	1,741	132,541	133,787	1,246	3,056
Environmental & Community Services	54,240	776	55,016	55,099	83	9
Chief Executive's Department	23,274	969	24,243	23,786	Cr 457	115
	<u>208,314</u>	<u>3,486</u>	<u>211,800</u>	<u>212,672</u>	<u>872</u>	<u>3,180</u>

2) **Reversal of Net Capital Charges**

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

3) **Carry Forwards from 2013/14**

Carry forwards from 2013/14 into 2014/15 totalling £1,554k were approved by the Executive and under the delegated authority of the Finance Director. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2013/14" report.

## Care Services Portfolio Budget Monitoring Summary

2013/14 Actuals	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
<b>£000's</b>								
	<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>							
18	<b>Adult Social Care</b>							
30,925	AIDS-HIV Service	0	0	0	0		0	0
	Assessment and Care Management	25,475	24,808	26,968	2,160	1	2,157	2,003
	Income from Court of Protection			Cr 110	Cr 110	1	0	Cr 110
	<b>Management action - BCF contribution</b>			Cr 350	Cr 350		0	0
3,897	Direct Services	3,269	3,335	3,297	Cr 38	4	Cr 7	0
2,868	Learning Disabilities Care Management	2,052	2,298	2,384	86	1	195	265
1,694	Learning Disabilities Day and Short Breaks Service	2,100	2,091	1,941	Cr 150	2	Cr 119	Cr 150
988	Learning Disabilities Housing & Support	1,562	1,383	1,281	Cr 102	3	Cr 97	Cr 102
<b>40,390</b>		<b>34,458</b>	<b>33,915</b>	<b>35,411</b>	<b>1,496</b>		<b>2,129</b>	<b>1,906</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	5,778	5,778	0	5	0	260
	Housing funds held in contingency							Cr 260
<b>3,792</b>		<b>2,913</b>	<b>4,115</b>	<b>4,115</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>Strategic and Business Support Service</b>							
1,945	Strategic & Business Support	2,198	2,201	2,070	Cr 131	6	Cr 121	0
331	Learning & Development	394	394	271	Cr 123	6	Cr 60	0
<b>2,276</b>		<b>2,592</b>	<b>2,595</b>	<b>2,341</b>	<b>Cr 254</b>		<b>Cr 181</b>	<b>0</b>
	<b>Children's Social Care</b>							
14,413	Care and Resources	17,238	17,223	17,393	170		290	0
	<b>Management action - Restriction of placements</b>			Cr 200	Cr 200		0	0
1,544	Safeguarding and Quality Assurance	1,402	1,426	1,388	Cr 38	7	Cr 38	0
3,373	Safeguarding and Care Planning	3,499	3,499	3,499	0		0	0
3,615	Referral and Assessment	3,413	3,413	3,660	247		262	180
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		Cr 76	0
<b>27,735</b>		<b>28,802</b>	<b>28,811</b>	<b>28,914</b>	<b>103</b>		<b>438</b>	<b>180</b>
	<b>Commissioning</b>							
3,311	Commissioning	3,105	3,330	3,364	34	8	3	125
0	Information & Early Intervention	1,278	1,385	1,426	41		54	41
22,327	Learning Disabilities	24,311	24,071	23,721	Cr 350	1	Cr 10	371
4,776	Mental Health Services	5,644	6,349	6,780	431	1	458	778
	<b>Mental Health Services - Management action</b>			Cr 108	Cr 108			Cr 190
2,843	Supporting People	2,060	2,006	1,860	Cr 146	9	Cr 146	Cr 189
10,299	NHS Support for Social Care							
	- Expenditure	4,548	6,528	6,528	0		0	0
Cr 10,299	- Income	Cr 4,548	Cr 6,528	Cr 6,528	0		0	0
<b>33,257</b>		<b>36,398</b>	<b>37,141</b>	<b>37,043</b>	<b>Cr 98</b>		<b>359</b>	<b>936</b>
	<b>Public Health</b>							
12,229	Public Health	12,230	12,230	11,794	Cr 436		Cr 371	0
Cr 12,601	Public Health - Grant Income	Cr 12,601	Cr 12,601	Cr 12,165	436		371	0
Cr 372		Cr 371	Cr 371	Cr 371	0		0	0
<b>107,078</b>	<b>TOTAL CONTROLLABLE ECHS DEPT</b>	<b>104,792</b>	<b>106,206</b>	<b>107,453</b>	<b>1,247</b>		<b>2,745</b>	<b>3,022</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 ECHS DEPARTMENT</b>	<b>117,468</b>	<b>118,875</b>	<b>120,138</b>	<b>1,263</b>		<b>2,761</b>	<b>3,022</b>
	<b>Environmental Services Dept - Housing</b>							
179	Housing Improvement	148	148	171	23	10	23	35
	<b>Management action to meet FYE</b>							Cr 35
<b>179</b>	<b>TOTAL CONTROLLABLE FOR ENV SVCS DEPT</b>	<b>148</b>	<b>148</b>	<b>171</b>	<b>23</b>		<b>23</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
Cr 88	<b>TOTAL FOR ENVIRONMENTAL SVCS DEPT</b>	<b>202</b>	<b>202</b>	<b>225</b>	<b>23</b>		<b>23</b>	<b>0</b>
<b>119,213</b>	<b>TOTAL CARE SERVICES PORTFOLIO</b>	<b>117,670</b>	<b>119,077</b>	<b>120,363</b>	<b>1,286</b>		<b>2,784</b>	<b>3,022</b>

Memorandum Item								
	<b>Invest to Save projects: Savings against business case</b>							
30	Dementia Investment Plan	Cr 515	Cr 515	Cr 237	278		278	0
216	PD Investment Plan	Cr 345	Cr 345	Cr 66	279		279	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>557</b>	<b>0</b>

Reconciliation of Latest Approved Budget	£'000
<b>2014/15 Original Budget</b>	<b>117,670</b>
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
<i>Carry Forwards:</i>	
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
NHS funding transfer integration funding - expenditure	
- expenditure	992
- income	Cr 992
Provision for homelessness (impact of recession/changes to welfare benefits)	
- Bed & Breakfast	653
- Manorfields	547
Merit Awards	40
Deprivation of Liberty Safeguards	163
<b>Total Variations</b>	<b>1,407</b>
<b>2014/15 Latest Approved Budget</b>	<b>119,077</b>

## REASONS FOR VARIATIONS

### 1. Adult Social Care and Commissioning - Care-Related Costs - Dr £1,759k

	£'000
<u>Adult Social Care:</u>	
Assessment & Care Management (18-65 and 65+)	1,700
Learning Disabilities Care Management (18-65 and 65+)	86
	<u>1,786</u>
<u>Commissioning:</u>	
Learning Disabilities (18-65 and 65+)	(350)
Mental Health (18-65 and 65+)	431
Mental Health (18-65 and 65+) - planned management action	(108)
	<u>(27)</u>
Total Projected Overspend	<u>1,759</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 £1.8m 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	1,238	1,313	-75
- Domiciliary Care / Direct Payments	932	958	-26
Services for 18 - 64 - Placements	41	78	-37
- Domiciliary Care / Direct Payments	-179	-192	13
Management action - BCF contribution	-350	0	-350
Staffing Costs	18	0	18
	<u>1,700</u>	<u>2,157</u>	<u>-457</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 58 placements above budget, indicating that attempts to reduce numbers have not been successful. Since the last reported figures relating to September there has been a net reduction of 4 placements. Costs for domiciliary care and direct payments have reduced slightly, but a large overspend remains in this area.

The 2 invest to save schemes relating to Dementia (older people) and Physical Disability & Sensory Impairment have also not achieved the savings that were included in the budget, thus contributing to the overspend position. The dementia under achievement totals £278k and PD £279k. Work continues in both these areas with a view to achieving these savings.

#### Commissioning

##### Learning Disabilities - Cr £350k

The projected spend has reduced from the previous report by £340k to a projected underspend position of £350k. This is due to a number of factors but has arisen mainly from contract efficiencies, limiting inflationary increases paid to providers, reduced future spend assumptions (potential placements being deferred / not materialising / at lower cost) and attrition.

The projections include a number of assumptions on increased client needs, carer breakdowns, remaining transition cases 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 an element of forward projection in the reported figures; the position is likely to change between now and year-end.

#### Mental Health - Dr £431k (Dr £323k after planned management action savings)

Based on current client PSR classifications in Carefirst, an overspend of £431k is anticipated on Mental Health care packages. Once planned management action has been factored in this reduces to a projected overspend of £323k. 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 been assumed that this trend continues for the rest of the year.

#### 2. Learning Disabilities Day and Short Breaks Service - Cr £150k

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 £150k is now reported as the service beds down on the new site.

#### 3. Learning Disabilities Housing and Support - Cr £102k

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 current projected underspend of £102k.

#### 4. Direct Care - Cr £38k

##### 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). There is no change to the figure reported in September. The main variations can be analysed as £296k overspend on staffing and £67k overachievement of income.

##### b) Transport Service- Cr £160k

Latest monitoring of the transport budget has identified a projected underspend of £160k, £36k in relation to staffing costs and £124k for transport related costs.

##### c) Reablement - Cr £120k

The underspend in this area 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

##### d) Carelink - Dr £6k

There is a minor projected overspend in the service in relation to staffing.

#### 5. Operational Housing

As a result of the drawdown of £653k approved by Executive on 15th October 2014, no variation is currently projected for temporary accommodation budgets. The projection assumes 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 £260k 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 Bellegrave conversion of £49k. This, the £16k shortfall previously reported relating to the Manorfields conversion, and a projected £17k overspend on furniture storage 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, plus a few minor underspends on running expenses.

	Projected variation £'000
Staffing & running costs	Cr 82
Manorfields capital shortfall	16
Bellegrave capital overspend	49
Furniture storage	17
	<u>0</u>

#### 6. Strategic and Business Support - Cr £254k

The projected underspend of £254k has arisen from a combination of: part year vacancies; underspends on running expenses (including staff advertising); significantly reduced levels of activity on training mainly as a result of delays in the delivery of Care Act training; projected net additional income from schools.

## **7. Children's Social Care - Dr £103k**

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

### **Placements - Cr £551k**

The children's placement budget is currently projected to underspend by £551k, 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 partly offset by increased costs of children leaving care, as reported below.

### **No Recourse to Public Funds - Dr £247k**

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 £247k now being reported, a slight reduction from the last reported figure. The projection includes an assumption for new clients coming through the system for the remainder of the year.

### **Leaving Care Clients - 16/17 year olds - Dr £224k**

Expenditure relating to leaving care services for 16 and 17 year olds is projected to overspend due to the numbers of children leaving care. This amount has increased slightly from the last reported figure of £200k. This could further increase if more children within this age group leave care requiring services.

### **Leaving Care Clients - 18 plus - Dr £155k**

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 which will have to be written off. Officers are working together to ensure that all sums that should be recovered are recovered in a timely manner.

### **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 - Dr £104k**

An SLA with an external provider was not renewed in 2013-14, resulting in a continuing underspend of £38k, staffing budgets across the division are projected to overspend by approximately £50k and legal costs of £91k have been incurred relating to care proceedings for which there is no budgetary provision.

## **8. Commissioning - Dr £34k**

Although a relatively small total variation, the projected net overspend of £34k comprises:

	Projected variation £'000
Taxicard	Cr 48
Contracts (net)	Cr 18
Carers	Cr 5
Commissioning staffing and related budgets	Cr 2
Deprivation of Liberty Safeguards	107
Projected net overspend	<u>34</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 projected underspends on contracts and Carers budgets largely arise from limiting inflationary increases to third party providers.

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 evidence of a significantly higher number of assessments than in previous years and it is anticipated that there will be an overspend of approx. £107k in 2014/15 (doctors' assessments and staffing). This is a net figure and the overspend has been offset, in part, by recurrent underlying underspends on the DoLS budget. There may 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 evidence of a significantly higher number of assessments than in previous years and £107k has been included in the projected spend for this and other related costs. 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 was 1 contract waiver agreed for the continuation of a current contract of less than £50k.
- (b) There was 1 waiver agreed for a placement 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 601	Cr 337	264	1	259	264
275	Alternative Education and Welfare Service	104	104	226	122	2	117	0
412	Schools and Early Years Commissioning & QA	565	565	443	Cr 122	3	Cr 91	0
4,451	SEN and Inclusion	4,772	4,775	4,570	Cr 205	4	10	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	1,004
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>1,042</b>	<b>1,101</b>	<b>59</b>		<b>295</b>	<b>1,268</b>
<b>Children's Social Care</b>								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,471	1,471	0	7	0	0
1,889	Referral and Assessment Children's Centres	2,143	2,442	2,342	Cr 100	8	Cr 20	0
<b>3,679</b>		<b>3,611</b>	<b>3,913</b>	<b>3,813</b>	<b>Cr 100</b>		<b>Cr 20</b>	<b>0</b>
<b>4,428</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION - ECHS</b>	<b>4,649</b>	<b>4,955</b>	<b>4,914</b>	<b>Cr 41</b>		<b>275</b>	<b>1,268</b>
9,221	<b>Total Non-Controllable</b>	5,096	5,124	5,124	0		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>13,465</b>	<b>13,424</b>	<b>Cr 41</b>		<b>271</b>	<b>1,268</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 3	20	9		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 49	Cr 49			0
	Blenheim Nursery (RSG Funded)	0	0	Cr 53	Cr 53			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 103</b>	<b>35</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
Allocation of Merit Awards		9
<b>Latest Approved Budget for 2014/15</b>		<b>13,465</b>



## REASONS FOR VARIATIONS

### 1. Adult Education - Dr £264k

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 £350k has not been matched by the same level of reductions in the running costs of the service. The overspend has increase slightly from the £259k reported for September, as although further savings have been made on staffing and premises costs, projected tuition fee income has fallen by £39k at the same time.

The service is currently being market tested as a separate 'lot' with Education services, and at the same time officers are investigating other options to help contain this overspend going forward which may need to be consulted on in due course.

	Variations
	£'000
Skills Funding Agency grant	163
Tuition fee income	205
Lettings and other fees and charges	Cr 18
Business rates and other premises costs	18
Recharge to WD&GS	Cr 22
Supplies and services	Cr 31
Staffing	Cr 51
	<u>264</u>

### 2. Alternative Education and Welfare - Dr £122k

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 £122k 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 £122k

The two in-house nurseries are projected to generate a total surplus of £102k, 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.

There is also an underspend of £20k in the Early Years service due to staff vacancies.

	Variations
	£'000
Blenheim Nursery	Cr 53
Community Vision Nursery	Cr 49
Early Years support services	Cr 20
	<u>Cr 122</u>

### 4. SEN and Inclusion - Cr £205k

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 it's meeting on 15th October 2014, Executive approved drawdown of £152k for 2014/15, with the remaining £107k ring-fenced for drawdown in 2015/16. At the same meeting Executive also approved drawdown of the third year £71k allocation of the ring-fenced SEND Pathfinder Champion Grant.

Due to changes to the statutory guidance around the reforms, the service has not been able to put in place the structure to implement the reforms as early as originally intended. As a result, an estimated £95k of the Reform/Implementation grants will not be spent during 2014/15.

In addition the head of service post is now being covered part time, and at a lower grade whilst the previous post holder is working solely on the reforms. This, plus temporary vacancies, and staff working reduced hours has resulted in a projected £92k underspend in the SEN assessment and monitoring team.

The current projection for the Education Psychology trading account is an overspend of £20k, a significant improvement over the £41k overspend in 2013/14, and which is partly offset by an underspend of £10k in the statutory element of the service.

There is also a minor underspend of £28k currently projected for SEN Transport.

	Variations
	£'000
SEN assessment & monitoring team	Cr 92
SEN Reform/Implementation grants	Cr 95
Education Psychologists	Cr 10
- Trading account	20
SEN Transport	Cr 28
	<u>Cr 205</u>

## 5. Education Services Grant

Current projections for the Education Services Grant (ESG) allocation is £387k 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 13 in-year conversions as at 1st December 2014 including the PRU, with a further 7 conversions approved by DfE expected to convert before April 2015. The projection also includes a further 1 conversion which is deemed likely to occur. The full year effect of these 21 conversions is £1,004k. 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 £606k 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 £218k underspend projected for 2014/15. There is also an underspend anticipated relating to 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 underspend by £312k. This has reduced from September monitoring figures mainly due to placement cost negotiations, and the confirmation that 6 students are the responsibility of another borough.

There is an underspend of £186k in the sensory support service, mainly due to vacant posts to support pupils who have a sensory impairment, as there are currently no pupils requiring this support. There is also a budget of £200k for Pupil Resource Agreements which will remain unspent due to changes to the funding regulations, plus a £12k underspend due to vacant posts. These budgets will be deleted from 2015/16 to help fund the Early Years inclusion funding.

The Specialist Support & Disability service is expected to underspend by £25k due to increased health contribution, partly offset by increased equipment and support costs. The Early Years SEN service (Phoenix) is projected to underspend by a total of £88k, mainly on staffing costs. This budget will be reduced in 2015/16 to help contain anticipated pressures in other areas of the Schools Budget.

The DSG funded element of the SEN Transport is currently projected to underspend by £108k. The funding regulations do not permit this budget to be increased from the previous year, so it is kept at the current level in anticipation of increased take up of lower cost in-borough placements in future years.

There is also a £50k underspend in the Early Intervention service due to a vacant post which has been deleted for 2015/16, and £36k underspend in the Home & Alternative Provision service as a result of staffing vacancies and the reduction in recharges from the termination of the outreach service, partly offset by increased use of agency tutors.

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.

An increase of £314k to the DSG allocation was made in July accounting for the increase in pupil numbers on the January 2014 Early Years Census, and there has been a subsequent increase of £224k made in November as the original figure had incorrectly been pro-rata'd. There was also an adjustment to the previous academy recoument figure of £112k to account for bulge classes.

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. As approved by Executive on 26th November 2014, a contribution of £150k from this underspend will be made 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 purchase and refurbishment of Beacon House (subject to approval from DfE to disapply the funding regulation limit on increasing the budget), and costs relating to the vacant Kingswood House.

	Variations	
		£'000
Home and Alternative Provision	Cr	26
Early Intervention Service	Cr	50
Progression Courses	Cr	16
Bulge classes		793
Nursery classes		64
Carbon Reduction Commitments re 2013/14	Cr	13
Budget share adjustments		6
Recoument adjustments (rates/dedelegation)	Cr	66

SEN:			
- Placements	Cr	218	
- Equipment	Cr	70	
- Support in FE colleges	Cr	312	
- Sensory support service	Cr	174	
- Support in mainstream	Cr	212	
- Specialist Support & Disability Service	Cr	38	
- Pre-school service	Cr	88	
- Transport	Cr	108	Cr 1,220
FEE:			
- 3 & 4 year olds provision	Cr	199	
- Inclusion support	Cr	91	
- 2 year olds provision	Cr	1,400	
- Contribution to capital		150	
- Prior year provisions	Cr	231	Cr 1,771
DSG allocation adjustments:			
- Additional Early Years allocation re 13/14	Cr	314	
- Additional Early Years allocation re 14/15	Cr	224	
- Bulge class recoupment adjustment	Cr	112	Cr 650
One-off expenditure:			
- Support for academy conversions/IEB consultancy		65	
- Temporary classroom rentals		219	
- Purchase of Beacon House		1,790	
- Beacon House refurbishment costs		8	
- PRU maintenance/carry forward		238	
- Kingswood House costs		23	2,343
			<u>Cr 606</u>

## **7. Youth Service**

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 £100k**

Bromley Children's Project is forecast to underspend by £100k due to resignations and delays in appointing to vacant posts, plus an underspend on the Commissioning budget. This is partially offset by premises maintenance and NNDR liability for two former unoccupied Children's Centres.

	Variations	
	£'000	
Salaries	Cr	134
Premises costs		98
Commissioning budget	Cr	55
Other (Suppliers & Services/income)		16
Parent Partnerships vacancies	Cr	25
	<u>Cr</u>	<u>100</u>

## **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. No virements have been approved since the last report to Executive.

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 1,199	Cr 6,212 1,109	Cr 176 Cr 90	1-4 5	Cr 169 Cr 65	0 0
<b>Cr 5,214</b>		<b>Cr 4,838</b>	<b>Cr 4,837</b>	<b>Cr 5,103</b>	<b>Cr 266</b>		<b>Cr 234</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	4,079 2,535 1 5,955 461 17,572	4,099 2,484 Cr 9 5,891 461 17,990	20 Cr 51 Cr 10 Cr 64 0 418	6 7 8 9 10	20 Cr 51 Cr 10 Cr 64 0 362	0 0 0 0 0 743
		<b>30,544</b>	<b>30,603</b>	<b>30,916</b>	<b>313</b>		<b>257</b>	<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	6,864 136 173	6,728 136 173	Cr 136 0 0	11	Cr 23 0 0	0 0 0
		<b>6,918</b>	<b>7,173</b>	<b>7,037</b>	<b>Cr 136</b>		<b>Cr 23</b>	<b>0</b>
<b>31,602</b>	<b>TOTAL CONTROLLABLE</b>	<b>32,699</b>	<b>33,014</b>	<b>32,925</b>	<b>Cr 89</b>		<b>0</b>	<b>743</b>
7,391	<b>TOTAL NON-CONTROLLABLE</b>	6,386	6,481	6,447	Cr 34	12	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>41,604</b>	<b>41,481</b>	<b>Cr 123</b>		<b>Cr 19</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

Allocation of Merit Awards

11

Latest Approved Budget for 2014/15

41,604

## REASONS FOR VARIATIONS

### 1. Income from Bus Lane Contraventions Dr £32k

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 £32k is projected.

### 2. Off Street Car Parking Cr £70k

Overall a surplus of £70k is projected for off street parking. There is a projected surplus of Cr £40k from Village Way multi-storey car park. Additional income of Cr £30k is projected from surface car parks: major variations are at Beckenham Leisure Centre Cr £14k relating to one-off permit income, Station Road Bromley Cr £7k, Fairfield Road and Beckenham Cr £9k.

	£'000
<b>Summary of variations within Off Street Car Parking</b>	
Off Street Car Parking income - multi-storey car parks	Cr 40
Off Street Car Parking income - other surface car parks	Cr 30
<b>Total variations within Off Street Parking</b>	<b>Cr 70</b>

### 3. On Street Car Parking Cr £115k

An overall surplus of £65k is projected for on street parking income. Major variations are within Bromley Town Centre with a net surplus of Cr £11k, a net surplus of Cr £12k from Petts Wood, Cr £20k from Orpington, and Cr £22k 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.

	£'000
<b>Summary of variations within On Street Car Parking</b>	
Income from Bromley Town Centre	Cr 11
Income from Petts Wood, Orpington & other areas	Cr 54
Management action - equipment budget	Cr 50
<b>Total variations within On Street Car Parking</b>	<b>Cr 115</b>

### 4. Car Parking Enforcement Cr £23k

Based on activity levels up to November 2014, there is a projected net surplus of £69k from PCNs issued by Vinci in the current year due to an increase in contraventions. Additional income is also projected for PCN contraventions in 2013/14 totalling Cr £10k.

A net deficit of Dr £55k is projected for mobile and static cameras due to the works being undertaken in Bromley North which has led to areas becoming unenforceable from April to date. This is partly offset by extra income received for tickets issued in 2013/14 of Cr £15k.

There are additional debt collection and registration fees of Dr £32k, due to the clearance of a backlog at the end of 2013/14 after the introduction of the new Parking IT system. This deficit is partly offset by a projected underspend on third party payments Cr £16k.

	£'000
<b>Summary of variations within Car Parking Enforcement</b>	
Net additional costs re Debt Collection and Registration	16
PCNs issued by wardens	Cr 79
PCNs issued by mobile & static cameras	40
<b>Total variations within Car Parking Enforcement</b>	<b>Cr 23</b>

	£'000
<b>Summary of overall variations within Parking:</b>	
Bus Routes Enforcement	32
Off Street Car Parking income	Cr 70
On Street Car Parking income	Cr 65
Management action - on street equipment budget	Cr 50
Car Parking Enforcement	Cr 23
<b>Total variation for Parking</b>	<b>Cr 176</b>

### 5. Support Services Cr £90k

There is a projected net underspend within staffing of £50k. This is due to a combination of not replacing the Assistant Director of Customer & Support Services, a secondment not being backfilled, and delays in recruiting temporary cover. 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 April 2014 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 during this period, 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 due 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 reduce the overall deficit within the divisional budget. Therefore the net projected variation for Parks & Green Space is an underspend of £64k.

## **10. Waste Services Dr £418k**

There is currently projected to be a net overspend within waste disposal tonnages, excluding garden waste, of £286k. £42k of this relates directly to the extra disposal tonnage generated by the increase in trade waste delivered activity, as reflected from the extra income. The balance of £244k is the net effect of the anticipated growth in residual household tonnage of 2,940 tonnes and the projected reduction in recycled paper tonnage (2,100 tonnes).

In addition to the increase in residual disposal tonnage from households, the green garden waste tonnage is 1,360 higher for the first 8 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 2,400 tonnes is projected, resulting in an overspend of £108k.

The green garden waste collection service is projected to be underspent by £122k by the year end. This is due to a number of factors; Staffing and running expenses are expected to be £40k lower than budgeted and the fourth vehicle has only been required intermittently providing a saving of £80k. There is a projected net overachievement of income of £2k, which incorporates the continued sale of green garden waste stickers.

Reduced tonnages of paper collected from households has resulted in a projected deficit of income from paper recycling of £140k. 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 £70k, 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 £14k.

<b>Summary of variations within Waste Services</b>	<b>£'000</b>
Waste disposal tonnages	394
Underspend from green garden waste collection scheme	Cr 122
Paper recycling income	140
Trade waste collection income	90
Trade waste delivered income	Cr 70
Other net variations	Cr 14
<b>Total variation for Waste Services</b>	<b>418</b>

## **11. Highways (incl London Permit Scheme) Cr 136k**

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

Within NRSWA income for 2014/15, there is a net deficit of £30k for defect notices which has been more than offset by the release of a bad debt provision of £50k which is no longer required relating to some older debt. There is also £18k additional income for street works. Management action is being taken across the service to freeze non-essential expenditure to the value of £15k.

Following heavy rainfall towards the end 2013-14, there is an overspend of £100k in 2014/15 relating to emergency flood works and clean-up operations. This will be met by a drawdown from the one-off provision for emergency flood damage.

Other miscellaneous income of Cr £48k 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
Street works income	Cr 38
Management action on non-essential expenditure	Cr 15
Overspend relating to emergency flood work	100
Drawdown from earmarked reserve set aside for emergency flooding	Cr 100
Miscellaneous income from deposit register	Cr 48
<b>Total variation for Highways</b>	<b>Cr 136</b>

## **12. Non-controllable budgets Cr £34k**

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 £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers over £50k have been actioned 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	306	306	0		0	0
322	Mortuary & Coroners Service	348	348	348	0	1	0	0
1,779	Public Protection	1,865	1,875	1,840	Cr 35	2	Cr 35	0
<b>2,534</b>	<b>TOTAL CONTROLLABLE</b>	<b>2,526</b>	<b>2,529</b>	<b>2,494</b>	<b>Cr 35</b>		<b>Cr 35</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>2,629</b>	<b>2,594</b>	<b>Cr 35</b>		<b>Cr 35</b>	<b>0</b>

Reconciliation of Latest Approved Budget

£'000

Original Budget 2014/15

2,626

Allocation of Merit Awards

3

Latest Approved Budget for 2014/15

2,629

## REASONS FOR VARIATIONS

### 1. Mortuary and Coroners Service

There is no overall variation projected based on information received to date. Payment for 2014/15 has now been made based on estimated costs for the year. Provision has been made for a potential adjustment at the financial year end to reflect the actual costs that will be supplied by Croydon, who administer the service on behalf of a consortium of four local authorities. 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 and £7k from minor projected variations on Supplies and Services. Although 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 have been less than expected, Cr £10k. This figure could be as high as Cr £30k depending on the activity during 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 £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 waiver has been actioned:

- Manned Covert Surveillance - Covert Security Solutions (CSS) £60k
- Kennelling and Statutory Services for stray and abandoned dogs - Woodland Animal Care Ltd / SDK Ltd £161k

#### **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
0		0	0	0	0		0	0
Cr 16	<b>Housing Strategy &amp; Development</b>							
	Housing Strategy & Development	Cr 14	Cr 14	Cr 14	0		0	0
Cr 16		Cr 14	Cr 14	Cr 14	0		0	0
Cr 23	<b>Planning</b>							
Cr 165	Building Control	12	12	Cr 12	Cr 24	1	Cr 20	0
492	Land Charges	Cr 168	Cr 168	Cr 168	0		0	0
1,119	Planning	649	649	454	Cr 195	2	Cr 160	0
	Renewal	1,093	1,211	1,181	Cr 30	3	Cr 11	0
1,423		1,586	1,704	1,455	Cr 249		Cr 191	0
2,029	<b>Recreation</b>							
4,882	Culture	1,902	1,928	1,968	40	4	60	0
243	Libraries	4,656	4,914	5,114	200	5	200	0
	Town Centre Management & Business Support	240	240	240	0		0	0
7,154		6,798	7,082	7,322	240		260	0
8,561	<b>Total Controllable R&amp;R Portfolio</b>	<b>8,370</b>	<b>8,772</b>	<b>8,763</b>	<b>Cr 9</b>		<b>69</b>	<b>0</b>
9,276	<b>TOTAL NON CONTROLLABLE</b>	<b>2,577</b>	<b>2,601</b>	<b>2,601</b>	<b>0</b>		<b>0</b>	<b>0</b>
2,215	<b>TOTAL EXCLUDED RECHARGES</b>	<b>2,275</b>	<b>2,261</b>	<b>2,261</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>20,052</b>	<b>PORTFOLIO TOTAL</b>	<b>13,222</b>	<b>13,634</b>	<b>13,625</b>	<b>Cr 9</b>		<b>69</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

Discretionary rate relief returned to the General Fund

Cr 6

Radio Frequency Identification Data

275

Biggin Hill Development

55

Increase in annual insurance premiums

7

Allocation of Merit Awards

4

Latest Approved Budget for 2014/15

13,634

## **REASONS FOR VARIATIONS**

### **1. Building Control Cr £24k**

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 £100k arising from reduced hours working / vacancies. In accordance with Building Account Regulations, the net surplus of £30k will be carried forward via the earmarked reserve for the Building Control Charging Account.

Within the non-chargeable service, as a result of delays in not appointing to vacant posts, there is a projected underspend of £24k.

### **2. Planning Cr £195k**

Income from non-major planning applications is £102k above budget for the first eight months of the year, and a surplus of £120k is projected for the year. For information, actual income received for April to November is £122k higher than that received for the same period last year.

For major applications, £237k has been received as at 30th November. Planning officers within the majors team have estimated that from the additional potential income that may be received in the coming months, around £90k will be received by year-end. This allows for delays in some of the income being received, as well as other items not being received at all. A surplus of £30k is therefore projected for major applications at this stage of the year.

There is projected surplus income of £70k from pre-application meetings due to higher than budgeted activity levels.

Across other income streams, additional income of £25k is projected - £10k from the discharge of planning conditions and £15k from street naming & numbering, largely due to several one-off items received to date in 2014-15.

Following several recent departures across the service, there is a projected underspend on staffing budgets of £20k

Within legal expenses, there is a projected overspend of £70k. This is largely due to the projected costs of a public enquiry where costs are being incurred for consultants to provide specialist advice.

<b>Summary of variations within Planning:</b>		<b>£'000</b>
Surplus income from non-major applications	Cr	120
Surplus income within major applications	Cr	30
Surplus pre-application income	Cr	70
Surplus across other income streams	Cr	25
Underspend within staffing	Cr	20
Overspend on legal expenses		70
<b>Total variation for planning</b>	<b>Cr</b>	<b><u>195</u></b>

### **3. Renewal Cr £30k**

Within salaries, there is a projected net underspend of £30k. 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 Dr £40k**

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. Further savings have been identified to ensure a balanced budget from April 2015.

There is a projected underspend within staffing budgets of £20k due to recruitment delays, reducing the overall net deficit for the service to Dr £40k.

### **5. Libraries Dr £200k**

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

### **Waiver of Financial Regulations**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers over £50k have 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	1,688	1,681	Cr 7	1	Cr 14	
4,270	Exchequer - Revenue & Benefits	6,697	6,432	6,113	Cr 319	2	Cr 349	
186	Finance Director & Other	193	193	193	0		0	
557	Financial Accounting	598	602	571	Cr 31	3	0	
1,580	Management Accounting & Systems	1,653	1,651	1,631	Cr 20	4	Cr 39	
337	Procurement	410	441	442	1		1	
<b>8,482</b>	<b>Total Financial Services Division</b>	<b>11,238</b>	<b>11,007</b>	<b>10,631</b>	<b>Cr 376</b>		<b>Cr 401</b>	<b>0</b>
	<b>CORPORATE SERVICES DIVISION</b>							
4,391	<b>Information Systems &amp; Telephony</b>	4,512	4,667	4,608	Cr 59	5	Cr 42	
	<b>Operational Property Services</b>							
Cr 3	CDM	0	0	0	0		0	
146	Client & Facilities Services	153	154	152	Cr 2	6	Cr 2	
42	Property Services Planned	1	1	80	79		79	40
244	Property Services Reactive	176	216	265	49		38	26
1,923	Repairs & Maintenance (All LBB)	1,886	2,293	2,123	Cr 170	7	0	
	<b>Customer Services &amp; Bromley Knowledge</b>							
100	Bromley Knowledge	10	10	10	0		0	
832	Contact Centre	831	898	944	46	8	46	
	<b>Legal Services &amp; Democracy</b>							
1,490	Democratic Services	1,539	1,540	1,465	Cr 75	9	Cr 73	
317	Electoral	310	310	299	Cr 11	10	1	
1,625	Legal Services	1,583	1,584	1,569	Cr 15	11	Cr 7	
Cr 118	Registration of Births, Deaths & Marriages	Cr 93	Cr 93	Cr 79	14	12	9	
1,850	Admin. Buildings	1,838	1,798	1,690	Cr 108	13	Cr 86	
461	Facilities & Support	484	486	456	Cr 30	14	Cr 32	
166	<b>Management and Other (Corporate Services)</b>	166	166	166	0		0	
<b>13,466</b>	<b>Total Corporate Services Division</b>	<b>13,396</b>	<b>14,030</b>	<b>13,748</b>	<b>Cr 282</b>		<b>Cr 69</b>	<b>66</b>
	<b>HR DIVISION</b>							
1,379	Human Resources	1,521	1,525	1,451	Cr 74	15	Cr 26	
<b>1,379</b>	<b>Total HR Division</b>	<b>1,521</b>	<b>1,525</b>	<b>1,451</b>	<b>Cr 74</b>		<b>Cr 26</b>	<b>0</b>
	<b>CHIEF EXECUTIVE'S DIVISION</b>							
766	Audit	846	847	753	Cr 94	16	Cr 93	
110	Comms	210	210	210	0		0	
641	Management and Other (C. Exec)	588	590	634	44	17	46	
144	Mayoral	178	178	142	Cr 36	18	Cr 54	Cr 32
<b>1,661</b>	<b>Total Chief Executive's Division</b>	<b>1,822</b>	<b>1,825</b>	<b>1,739</b>	<b>Cr 86</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	288	Cr 120	19	Cr 125	
559	Strategic Property Services	619	620	613	Cr 7	20	Cr 4	
Cr 4,869	Investment Income	Cr 6,345	Cr 6,356	Cr 5,618	738	21	841	429
Cr 802	Other Rental Income - Other Portfolios	Cr 780	Cr 794	Cr 811	Cr 17	22	Cr 12	
<b>Cr 4,858</b>	<b>Total Transformation &amp; Regeneration Division</b>	<b>Cr 6,109</b>	<b>Cr 6,122</b>	<b>Cr 5,528</b>	<b>594</b>		<b>700</b>	<b>429</b>
<b>20,130</b>	<b>Total Controllable Departmental Budgets</b>	<b>21,868</b>	<b>22,265</b>	<b>22,041</b>	<b>Cr 224</b>		<b>103</b>	<b>463</b>
	<b>CENTRAL ITEMS</b>							
7,610	CDC & Non Distributed Costs (Past Deficit etc.)	7,450	7,450	7,450	0		0	
9,650	Concessionary Fares	9,900	10,433	10,433	0		0	
<b>37,390</b>	<b>Total Controllable</b>	<b>39,218</b>	<b>40,148</b>	<b>39,924</b>	<b>Cr 224</b>		<b>103</b>	<b>463</b>

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	<b>Total Non Controllable</b>	2,032	2,032	2,032	0		0	
Cr 19,007	<b>Total Excluded Recharges</b>	Cr 20,013	Cr 20,013	Cr 20,013	0		0	
Cr 1,382	<b>Less: R&amp;M allocated across other Portfolios</b>	Cr 1,531	Cr 1,569	Cr 1,569	0		0	
802	<b>Less: Rent allocated across other Portfolios</b>	780	794	811	17		12	
<b>23,920</b>	<b>TOTAL CHIEF EXECUTIVE'S DEPARTMENT</b>	<b>20,486</b>	<b>21,392</b>	<b>21,185</b>	<b>Cr 207</b>		<b>115</b>	<b>463</b>
<b>23,920</b>	<b>TOTAL RESOURCES PORTFOLIO</b>	<b>20,486</b>	<b>21,392</b>	<b>21,185</b>	<b>Cr 207</b>		<b>115</b>	<b>463</b>
	<b>Memorandum Item</b>					23		
	<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	18	Cr 6		Cr 9	
Cr 43	Finance Schools Trading Account	Cr 13	Cr 13	Cr 33	Cr 20		Cr 20	
8	Facilities (Caretaking) Schools Trading Account	0	0	24	24		15	
Cr 3	Reactive Maintenance Schools Trading Account	0	0	1	1		0	
Cr 58	<b>Total Sold Services</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>Cr 1</b>		<b>Cr 14</b>	<b>0</b>

<b>Reconciliation of Final Budget</b>		<b>£'000</b>
<b>Original budget 2014/15</b>		<b>20,486</b>
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
Carry forward Requests drawn down from Central Contingency		131
Increase in insurance costs		0
Allocation of Staff Merit Rewards		20
Funding for change in Benefit legislation relating to persons from abroad		
- expenditure		9
- income		Cr 9
Real Time Information - New Burdens Funding		
- expenditure		7
- income		Cr 7
<b>Latest Approved Budget for 2014/15</b>		<b>21,392</b>



## **REASONS FOR VARIATIONS**

### **FINANCIAL SERVICES DIVISION**

#### **1 Exchequer Services - Payments & Income - £7k Cr**

An underspend of £7k Cr is projected for Payments & Income. This mainly relates to staffing, due to reduced hours and other staff changes.

#### **2 Exchequer Services - Revenue & Benefits - £319k Cr**

An overall underspend of £319k Cr is projected for Revenue & Benefits. £73k 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 £120k 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 £1k. Savings of £275k Cr have been built into the 15-16 draft budget relating to the contract budget, licences and support and court cost recovered.

#### **3 Financial Accounting - £31k Cr**

This variation mainly relates to staff vacancies in the Financial Accounting team.

#### **4 Management Accounting & Systems - £20k Cr**

An underspend of £20k Cr is projected for Management Accounting and Systems. £21k Cr relates to additional net income expected from Finance Services sold to schools. The remaining £1k Dr mainly relates to minor variations on salaries.

### **CORPORATE SERVICES DIVISION**

#### **5 Information Systems & Telephony - £59k Cr**

The ISD is projecting an underspend of £59k 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.

#### **6 Operational Property Services £126k Dr**

The latest forecast for Operational Property is a net overspend of £126k. This comprises of the following :

A net overspend of £49k 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 £26k Dr. Other minor underspends of £3k Cr make up the difference.

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.

#### **7 Repairs & Maintenance (All LBB) £170k Cr**

An underspend of £170k is projected for R & M. This relates to a budget which had been earmarked for Anerley Town Hall Subsistence works. This work was put on hold, pending discussions about the future use of the building. It is now unlikely that the work will be completed in this financial year.

#### **8 Contact Centre £46k Dr**

Proposed savings, mainly relating to channel shift, of £46k were built into the 2014-15 budget. It had been hoped that these savings would have been achieved by the transfer of functions in to the Contact Centre. Unfortunately, there have been delays in progressing the transfer of functions, and it is unlikely that the savings will be achieved this financial year.

#### **9 Democratic Services - £75k Cr**

An underspend of £75k 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 additional costs of £29k relating to the purchase of IPADs. Other net minor variations of £2k Cr make up the difference. Savings of £80k Cr on Members Allowances and £34k Cr on Members IT have been built into the 15-16 draft budget.

#### **10 Electoral Services - £11k Cr**

An underspend of £11k is projected on Electoral Services. A reduction of £16k in the costs associated with the canvassing process, recently completed, is being offset by minor variations of £5k Dr.

#### 11 Legal Services - £15k Cr

An underspend of £15k 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.

#### 12 Registrar Service - £14k Dr

An overspend of £14k is currently projected for the Registrar Service. This is attributed to a potential revised shortfall in income of £15k, 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.

#### 13 Admin Buildings - £108k Cr

An underspend of £108k Cr is projected for Admin Buildings.

A £23k 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). A revised underspend of £64k 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 £9k Cr. Savings of £85k Cr have been built into the 15-16 draft budget, relating to contract cleaning and office attendants.

#### 14 Facilities & Support - £30k Cr

An underspend of £30k Cr is projected for Facilities and Support. A vacant post within office services, and a retirement in the caretaking section result in a £33k 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

#### 15 Human Resources - £74k Cr

The HR Division is projecting an underspend of £74k Cr. Salary underspends of £79k Cr are expected, relating to HR Strategy £40k, the re-structure of HR Operations £23k Cr, delays in recruiting interns £9k, and Learning & Development £7k. This is offset by a projected overspend on running expenses of £5k.

### CHIEF EXECUTIVE'S DIVISION

#### 16 Audit - £94k Cr

An underspend of £94k 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 £20k Cr are projected.

#### 17 Management & Other - £44k Dr

An overspend of £44k is projected for Management & Other. A saving of £68k was built into the 14-15 budget (which has been fully identified for 15-16). In 14-15 this is partially offset by a £25k 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 £1k Dr.

#### 18 Mayoral - £36k Cr

An underspend of £40k Cr is projected for Mayoral Services staffing. A Mayoral attendant post has been vacant for some time and the Mayoral Service manager post has also become vacant. This has provided the opportunity to re-structure the team in order to contribute towards the saving required for the division ( see note 17 above). Other minor variations total £4k Dr and reduce the overall position to £36k Cr.

### TRANSFORMATION & REGENERATION DIVISION

#### 19 Investment and Non-Operational Property (expenditure) £120k cr

The 2014/15 forecast for expenditure on Investment and Non Operational Property is an underspend of £120k. This includes the following items:

- a) Sundry Properties - An underspend of £13k cr is projected for utilities. The projections have now been refined as there has been no actual spend.

b) 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 additional income of £10k cr has been projected on fees and charges.

c) Properties Held for Investment - An overspend of £6k dr is projected which includes an overspend of £5k dr due to utility costs and for the cleaning costs for the walkway from the link bridge to the Glades.

d) Surplus Properties - An overspend of £104k dr is projected. This relates to additional costs of £74k dr for utilities, £21k dr for business rates and £9k dr for the security at Oakfield.

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

## **20 Strategic Property Services £7k Cr**

A variation of £7k cr is projected as a result of staff vacancies that have now been filled.

## **21 Investment Income £738k 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 £170k Cr.

## **22 Other Rental Income - Other Portfolios £17k Cr**

Various minor variations net out to £17k Cr.

## **23 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 INTU 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 Treasury Management Broking Services. Fees are based on percentage of investment value. Annual contract value max of £20k. New contract period Apr 14 to March 17. Whole life value max of £50k over 3 years. Approval based on CPR 13.1 - Agreement of the Chief Officer to waive the need for competitive quotes.

Exemption from tendering arrangements for Pension Fund Measurement Service. Annual contract value max of £20k. New contract period Apr 14 to March 17. Whole life value max of £50k over 3 years. Approval based on CPR 13.1 - Agreement of the Chief Officer to waive the need for competitive quotes.

## **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 Virements" are reported in the Virements Report. There are no new virements to report this cycle.

## 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	992,000		204,250	1,196,250	(6)
- income	Cr 1,195,200	Cr 992,000		Cr 204,250	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	242,320		549,680	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)
Cost of Local Elections	500,000			500,000	500,000	0
Carbon tax	300,000	31,000		0	31,000	(3)
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
Deprivation of Liberty Safeguards			163,345	0	163,345	163,345
Biggin Hill Development			55,000	0	55,000	55,000
	<b>11,597,000</b>	<b>2,056,707</b>	<b>218,345</b>	<b>7,524,680</b>	<b>9,799,732</b>	<b>Cr 1,797,268</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)
Local Reform and Community Voices						
Grant related expenditure	89,570	88,060		0	88,060	(1&2)
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)
- income		145,000		0	145,000	145,000
Welfare Reform						
- expenditure		66,463		0	66,463	(4)
- income		Cr 66,463		0	Cr 66,463	Cr 66,463
Individual Electoral Registration Process						
- expenditure		102,335		0	102,335	(3)
- income		Cr 102,335		0	Cr 102,335	Cr 102,335
Care Bill Implementation Grant						
- expenditure				125,000	125,000	125,000
- income				Cr 125,000	Cr 125,000	Cr 125,000
SEND Implementation Grant						
- expenditure		151,960		107,357	259,317	(5)
- income		Cr 151,960		Cr 107,357	Cr 259,317	Cr 259,317
Staying Put Implementation Grant						
- expenditure		36,487			36,487	(4)
- income		Cr 36,487			Cr 36,487	Cr 36,487
Additional grant for administration re change in Benefit legislation relating to persons from abroad						
- expenditure		9,225		0	9,225	9,225
- income		Cr 9,225		0	Cr 9,225	Cr 9,225
Additional grant for administration from DWP re Real Time Information - New Burdens Funding						
- expenditure		6,916		0	6,916	6,916
- income		Cr 6,916		0	Cr 6,916	Cr 6,916
<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>Cr 4,510</b>
<b>TOTAL CARRIED FORWARD</b>	<b>11,850,000</b>	<b>2,306,707</b>	<b>218,345</b>	<b>7,523,170</b>	<b>10,048,222</b>	<b>Cr 1,801,778</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
- (6) Approved by Executive 21st November 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>2,306,707</b>	<b>218,345</b>	<b>7,523,170</b>	<b>10,048,222</b>	<b>Cr 1,801,778</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)
- 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)
- 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)
- 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)
- income	Cr 23,600	Cr 23,600		0	Cr 23,600	0
Public Health S256						
- expenditure	43,920	43,920		0	43,920	(7)
- income	Cr 43,920	Cr 43,920		0	Cr 43,920	0
HealthWatch start up Funding						
- expenditure	4,350			4,350	4,350	
- income	Cr 4,350			Cr 4,350	Cr 4,350	0
Adoption Reform						
- expenditure	485,269	345,700		139,569	485,269	(9)
- 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)
- 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	
- income	Cr 72,159			Cr 72,159	Cr 72,159	0
Public Health						
- expenditure	768,900	98,000		670,900	768,900	(2)
- 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)
- 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)
- income	Cr 9,806	Cr 9,806		0	Cr 9,806	0
Cabinet Office Funding						
- expenditure	22,260	22,260		0	22,260	(8)
- 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)
- 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)
Contact Centre	26,342	26,342		0	26,342	(8)
Welfare Fund	441,996			441,996	441,996	(5)
Staff Merit Awards (held in Contingency)	151,941			151,941	151,941	0
Local Plan Implementation	60,000	60,000		0	60,000	(1)
Children's Centres	297,000	297,000		0	297,000	(3)
Keston Ponds Dam	65,000	65,000		0	65,000	(3)
	<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>2,860,049</b>	<b>218,345</b>	<b>8,117,107</b>	<b>11,195,501</b>	<b>Cr 1,801,778</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

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 21 conversions projected to take place during 2014/15 is £1,004k, and is included in the Council's draft budget for 2015/16.
Adult Education	Cr 601	264	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 £350k, with only a net reduction of £86k on running costs to offset this. Officers have been working on plans to reduce this, and a recommendation to commence consultation on one of the options will be presented at the next meeting of the Executive, subject to approval by the Portfolio Holder for Education following PDS scrutiny.
Housing Needs - Temporary Accommodation	5,778	0	The full year effect of the current projections for temporary accommodation anticipated to be a pressure of £260k 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. The full year effect is included in the Council's draft budget for 2015/16.
Adult Care Placements	48,264	1,759	The net overspend on adult care placements is forecast to produce a full year overspend of £3,117k, based on activity to 31/3/15 only (i.e. doesn't include changes to activity levels in future years). The FYE has now been reflected in the 2015/16 budget.
Learning Disabilities Short Breaks Service	649	Cr 150	The underspend currently reported in 2014/15 is expected to continue into next year. The FYE has now been reflected in the 2015/16 budget.
Learning Disabilities Housing & Support	1,383	Cr 102	The underspend currently reported in 2014/15 is expected to continue into next year. The FYE has now been reflected in the 2015/16 budget.
Commissioning	3,167	34	Based on current levels of activity relating to Deprivation of Liberty Safeguards a full year budget pressure of £125k is anticipated. The FYE has now been reflected in the 2015/16 budget.
Information & Early Intervention	1,385	41	The overspend currently reported for 2014/15 is expected to continue into next year. The FYE has now been reflected in the 2015/16 budget.
Supporting People	2,006	Cr 146	Based on current contracts a full year underspend of £189k is anticipated. The FYE has now been reflected in the 2015/16 budget.



Description	2014/15 Latest Approved Budget £'000	Variation To 2014/15 Budget £'000	Potential Impact in 2015/16
Children's Social Care - Placements	12,800	Cr 551	The full year effect of the current projection is calculated at a £271k underspend. Officers have continued to work towards increasing the number of in-house foster carers so that expensive external placements can be avoided. The FYE has now been reflected in the 2015/16 budget.
Children's Social Care - No Recourse to Public Funds	382	247	The full year effect of clients who have no recourse to public funds and Bromley are having to pay for has been calculated at £180k 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. The FYE has now been reflected in the 2015/16 budget.
Children's Social Care - Leaving Care Services for 16/17 year olds and 18+	478	379	The full year effect of clients who have left care is currently calculated at £271k. This mainly relates to 16 and 17 year olds who are not able to claim housing benefits and the full cost of accommodation is payable by the council. The FYE has now been reflected in the 2015/16 budget.
Operational Property Services	371	126	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	738	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.
Mayoral	178	Cr 36	An on going underspend of £32k is projected for Mayoral Services. This relates to a vacant Mayoral attendant post.
Waste	8,573	554	Actual tonnage (excluding Garden Waste) is projected to be 1,140 tonnes above budget at the year end. There is also an increase in Garden Waste tonnages, and a year-end variation of 2,400 tonnes is projected. Other deficits include 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. The full year effect of these variances has been built into the 2015/16 budget. Other variations will continue to be monitored closely during the coming months, with appropriate management action 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>Transfers (to)</b>	<b>Actual</b>	
<b>2014</b>	<b>Service</b>	<b>Income</b>	<b>Expenditure /from Capital</b>	<b>30 Nov</b>	
<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>2014</b>	
				<b>£000</b>	
<b><u>Revenue</u></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	41	25	743	
40	Community Facilities (to be transferred to capital)			40	
10	Other	-	-	10	
1,695		41	42	-	1,694
<b><u>Capital</u></b>				<b><u>Capital</u></b>	
0	Local Economy & Town Centres			-	
1,571	Education	370	456	1,485	
4,461	Housing	748	434	4,775	
-	Community Facilities			-	
6,032		1,118	890	-	6,260
<b>7,727</b>		<b>1,159</b>	<b>932</b>	<b>-</b>	<b>7,954</b>