

**Summary of Reported Overspends
As at 31st May 2015**

	2015/16 Latest Approved Budget £'000	2015/16 Projected Outturn £'000	2015/16 Projected Variation £'000	Notes	Full Year Effect £'000	Responsible Director/AD	Management action to address in 2015/16 year overspend and 2016/17 full year effect
Education, Care & Health Services							
Adult Social Care							
Assessment and Care Management	24,111	24,191	80	1	121	Stephen John	#####
Children's Social Care							
Care and Resources	17,245	17,300	55	2	114	Kay Weiss	Placement pressures offset by underspends in leaving care. Looking at limiting placements and packages where possible. Work on 2016/17 potential savings has identified areas for saving which will mitigate any fye that has not been dealt with by year end.
Referral and Assessment	3,537	3,614	77	3	Cr 72	Kay Weiss	No recourse to public funds clients. Looking at in year reductions elsewhere in the division to mitigate the in year effects.
Youth Services	1,549	1,831	282	4	0	Kay Weiss	Mainly due to delays in restructuring the Youth Service. Will all be delivered for 2016/17. In year pressure will be looked at as part of the overall service/division and costs/reductions will be mitigated.
Commissioning							
Commissioning	2,753	2,831	78	5	0	Lorna Blackwood	Overspend resulting from placements and brokerage activity. Seeking to recover majority of this from the CCG. Cost containment across the service will deal with any remaining pressure in year.
Education							
Adult Education Centres	Cr 602	Cr 220	382	6	382	Jane Bailey	Planned reorganisation of this service in order to work within budget, to come into effect September 2016. Reported to Executive 8/7/15. Looking at reductions/cost containment across the service in order to deal with the pressure in year.
			954		545		
Environment & Community Services							
Street Scene & Green Space							
Waste Services	18,411	18,511	100	7	Cr 250	Dan Jones	
Transport & Highways							
Parking	Cr 6,696	Cr 6,342	354	8	890	Paul Symonds	Loss of income due to the Deregulation Act restricting use of CCTV for parking enforcement. Currently working on options to address this. The proposal will be to report to Executive through Environment PDS to draw down some of the money held in contingency.
Recreation							
Culture	1,973	1,990	17	9	0	Colin Brand	
			471		640		
Chief Executive's							
Operational Property Services							
Operational Property	375	453	78	10	152	Mark Bowen	Income from education projects used to mask the cost of corporate capital projects. With the reduction in education work this doesn't happen and the position will worsen. The corporate capital work is still required, and that would be the case whether we had an insourced or outsourced service. Not resolving may deter potential bidders on this part of the FM contract as budget doesn't cover costs. Staffing levels have been reduced, however this doesn't give a pound for pound reduction as we also lose income generation potential. We have also vired some general FM savings and reviewed and realigned property budgets to close the gap.
Strategic Property							
Investment Income	Cr 7,393	Cr 6,827	566	11	0	Marc Hume	Further in year acquisitions are expected to substantially improve this position
			644		152		
In year public health cuts *	Cr 372	528	900		900	Nada Lemic	
			2,969		2,237		

* Not included in budget monitoring figures reported to members as at 31st May

REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £80k

The overspend in Assessment and Care Management can be analysed as follows:

	Variation	
	£'000	
<u>Physical Support / Sensory Support / Memory & Cognition</u>		
Services for 65 +	- Placements	Cr 116
	- Domiciliary Care / Direct Payments	Cr 42
Services for 18 - 64	- Placements	126
	- Domiciliary Care / Direct Payments	32
Extra Care Housing		80
		<u>80</u>

As part of the budget setting process for 2015/16, the full year effects of the overspends in Adult Social Care during 2014/15 as reported in the January 2015 budget monitoring were fully funded. Savings of £250k were also included in the budget for the management of demand at first point of contact, and the projections assume that these will be achieved during the year.

The external extra care housing schemes are showing a projected overspend of £80k in relation to the potential costs of voids which are not budgeted for. With the expected closure of the in-house scheme at Lubbock House and the need to move residents to alternative extra care accommodation, units in the external schemes are being kept vacant in preparation for these transfers. These however incur a weekly void cost equivalent to the rental price of the unit and the core costs of care staff, which Bromley has to pay for.

2. Care and Resources - Placements - Dr £198k

The budget for children's placements is projected to overspend in the region of £198k this year, however given that we are in the early stages of the year and the level of volatility around the budget, certain financial assumptions have had to be made. Officers will monitor these assumptions during the course of the year and update the projections as required.

3. Referral and Assessment - No Recourse to Public Funds - Dr £77k

The cost to Bromley for people with no recourse to public funding continues to exceed the budget established for these costs. Additional budget was moved into this area for 2015/16, however the trend of increased costs continues with an overspend of £77k currently being projected.

4. Youth Services - Dr £282k

The Youth Service has a projected overspend in year on salaries and some running costs during a period of restructure required to reconfigure the service to achieve the 2015-16 saving target of £506k whilst continuing to provide both universal and targeted youth support. A clearer picture will be available on the completion of the appropriate consultation processes which started earlier in the year.

There is also a projected overspend in the Youth Offending Team of up to £50k; as a consequence of the outcome of the recent HMIP inspection, it has been necessary to delay the planned restructure of the service.

5. Commissioning - Dr £78k

The net overspend of £78k comprises:

	Variation	
	£'000	
Staffing and related budgets		98
Share of ECHS management savings not yet achieved		24
Taxicard	Cr	30
Contracts	Cr	14
		<u>78</u>

The projected overspend on Commissioning staffing and related budgets results mainly from a combination of a post no longer attracting health funding and additional temporary staff. Funding sources are being explored to mitigate these costs but this has not been reflected in this set of projections as it is currently unconfirmed.

Management savings totalling £103k were deducted from the ECHS budget late in the 2015/16 budget process. These were apportioned across divisions on a pro rata basis and the Commissioning share amounted to £24k. It may be possible to identify savings in-year to offset this but this is not currently the case.

The projected underspend of £30k on Taxicard has arisen from current TfL data indicating that Bromley's take up will be lower than budgeted in 2015/16, resulting in a reduced charge to LBB. However this is based on the assumption that trip numbers remain the same as 2014/15 so may vary as the year progresses.

Commissioning contracts budgets are projected to be underspent by £14k as the cost of the Healthwatch contract is less than expected at the time the 2015/16 budget was prepared.

6. Adult Education - Dr £382k

As members will be aware, there has been significant reduction in grant allocation from the Skills Funding Agency for the Adult Education Service in recent years. In addition, tuition fee income has been reducing, resulting in a total income shortfall of £518k projected for 2015/16.

The service has managed to offset part of this with £120k of temporary staffing reductions and vacancies, in addition to other minor reductions in running expenses, resulting in a projected net overspend of £382k.

The service was market tested as a separate 'lot' with Education services during 2014/15, but no solution was found. Officers are currently investigating other options to help contain this overspend going forward which be presented to members in due course.

	Variations
	£'000
Skills Funding Agency grant/fee income	518
Supplies and services	Cr 16
Staffing	Cr 120
	<u>382</u>

7. Waste Services - Dr £100k

Waste disposal tonnages are currently projected to be £80k overspent, largely due to additional tonnage being brought over the Weighbridges. For information there has been 180 additional tonnes at the Weighbridges in April and May 2015 compared to the same period in 2014-15. This is based upon April's actual and May's provisional data, which also indicates a net nil variation across other tonnage types.

The additional tonnage from the weighbridge has generated extra income of £80k for trade waste delivered which will offset the waste disposal overspend.

Savings of £250k were built into the 2015/16 waste services budget for the revision to the kerbside paper collection service. The report to the Environment Portfolio Holder on 18 February 2015 highlighted that after taking account of the one-off implementation costs, the savings expected to be delivered during 2015/16 would be below the target by £107k. The savings for future years would however be exceeded by £250k per annum.

	Variations
	£'000
Waste disposal tonnages	80
Surplus trade waste delivered income	Cr 80
Revised kerbside collection arrangements	100
	<u>100</u>

8a. Income from Bus Lane Contraventions - Cr £267k

As a result of reinstating bus lane enforcement following completion of public realm works in Bromley North from March 2015, there is projected additional income of around £267k for 2015/16. This projection from Parking takes into account the likely drop off by the end of the financial year due to motorists' increased compliance and therefore the potential full year effect is only likely to be £40k.

8b. Off Street Car Parking - Cr £175k

Overall a surplus of £175k is projected for off street parking income. Cr £45k is expected from Village Way and the Civic Centre multi-storey car parks, £80k from surface car parks and an additional Cr £50k is projected from the Mitre Close car park. It should be noted that the average income per month from Mitre Close for April 2014 to February 2015 was £2k, however in March 2015 this rose to £6k and has continued at this level for April and May 2015. This is because some spaces were being used by the Bromley North contractors during the period of works and therefore enforcement did not commence until March 2015.

	Variations
	£'000
Off Street Car Parking income - multi-storey car parks	Cr 45
Off Street Car Parking income - other surface car parks	Cr 130
	<u>Cr 175</u>

8c. Car Parking Enforcement - Dr £796k

Based on activity levels up to May 2015, there is a projected net surplus of £60k from PCNs issued by Vinci in the current year due to an increase in the number of contraventions. If these volumes continue at the current level, this could be as high as £180k at the financial year end. The number of contraventions will be closely monitored over the next few months.

A net deficit of Dr £856k is projected for mobile and static cameras due to changes in legislation from April 2015. Contravention numbers will be closely monitored during the next few months and Officers will review the service in order to prepare a report providing Members with options for the future of this service and a request to draw down monies from the £1m which is held in the Central contingency for the impact of the legislation changes.

	Variations	
	£'000	
PCNs issued by wardens	Cr	60
PCNs issued by mobile & static cameras		856
		<u>796</u>
Bus Routes Enforcement	Cr	267
Off Street Car Parking	Cr	175
Car Parking Enforcement		796
Total variation for Parking		<u>354</u>

9. Culture - Dr £17k

Although savings were built into the 2015/16 budget in anticipation of the closure of the Priory Museum, the subsequent delayed decision in this taking place, has led to a projected overspend of £31k, as detailed in the recent Executive report. Management action across the culture service totalling £14k has been taken to partly-offset this overspend.

10. Operational Property Services - Dr £78k

An overspend of £78K is currently projected for Operational Property. This mainly relates to the following :

An overspend of £117k Dr is forecast for the planned service in 15-16. In previous years, the 10% management fee recharged to Education capital schemes contributed towards the cost of the service's corporate work. Due to the number of academy conversions, the total recharge has reduced significantly over the past couple of years. Unlike other Council sold services, however, this was not matched by an increase in income, as the majority of academies opted not to buy in to this service.

An historic shortfall in caretaking income of £11k Dr is expected to continue. These overspends are offset by a projected underspend of £50k Cr on the Walnuts Boiler Plant (mainly relating to gas) which is likely to be ongoing.

11. Investment Income - Dr £566k

A net shortfall of £566k is expected on Investment Income. This includes the following items:

a) Shortfall of income on Investment Fund properties of Dr £649k

For the past few years, contributions have been made to reserves to create an Investment Fund. A substantial part of this Fund has been used to buy Investment Properties. The capital spend to date on the purchase of these properties is £41.2m of which £28.5m relates to properties in Bromley High Street. The 2015/16 budget for the expected income is £3m and the income achieved from the properties purchased to date is £2.4m. A number of possible acquisitions are being considered.

b) Other variations in rental income net out to £83k Cr. This mainly relates to the additional income at Yeoman House from the NHS CCG with regards to the section 75 agreement, although this may not be on-going beyond 2017/18.

Summary of Reported Future Year Overspends
As at 31st May 2015

	2015/16 Budget £'000	2016/17 Impact £'000	Notes
<u>Education, Care & Health Services</u>			
Assessment & Care Management	19,528	121	1
Children's Placements	14,286	42	2
Adults with Learning Difficulties	24,595	397	3
Adult Education	Cr 601	382	4
Education Services Grant	Cr 2,128	159	5
		541	
<u>Environment & Community Services</u>			
Parking	Cr 6,696	800	6
		800	
<u>Chief Executive's</u>			
Operational Property - planned	375	152	7
		152	
TOTAL		1,493	

Description	2015/16 Latest Approved Budget £'000	Variation To 2015/16 Budget £'000	Potential Impact in 2016/17
1. Assessment and Care Management - Care Placements	19,528	0	The current full year effect on client projections is £121k. This figure assumes the reduction in cost of £250k as a result of the management of demand at first point of contact is achieved.
2. Children's Social Care - Placements	14,286	132	The full year effect impact is estimated at £42k. This can be analysed as £267k on placements, £72k credit for no recourse to public funds and £153k credit on leaving care clients.
3. Residential, Supported Living, Shared Lives - Learning Disabilities	24,595	Cr 110	Despite a current year projected underspend, the full year effect is estimated at an overspend of £397k. This is because the forward assumptions are based on an increasing number of LD clients (clients expected to be placed in-year in 2015/16 will only have a part year cost in 2015/16 but a full year cost in 2016/17).
4. Adult Education	Cr 601	382	The current overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into at least part of 2016/17. Some efficiency savings have been implemented to help contain this, however there is a total income shortfall of £518k, with only a net reduction of £136k on running costs to offset this. A report is due to go to the July meeting of the Education PDS Committee which will present options to help contain this going forward.
5. Education Services Grant	Cr 2,128	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 18 conversions estimated to occur during 2015/16 is £721k, and is included in the financial forecast for the 2017/18 budget.
6. Parking	Cr 6,696	354	1) For 2015/16 the income from bus lane contraventions is projecting a surplus of £267k, the full year effect of the reinstatement of the camera in Bromley North is only expected to achieve Cr £40k. 2) The additional income from off-street parking is expected to continue for future years, although it will be closely monitored and any major variances reported. 3) At this stage the full year effect of the legislation changes is projected to be Dr £1m, however the service is being reviewed over the next few months and options explored for the future of the service, with a report being presented to Members in September, which will also include a request to drawdown some of the £1m held in the Central Contingency.
7. Operational Property Services	375	78	An overspend of £117k Dr is forecast for the planned service in 15-16. In previous years, the 10% management fee recharged to Education capital schemes contributed towards the cost of the service's corporate work. Due to the number of academy conversions, the total recharge has reduced significantly over the past couple of years. Unlike other Council sold services, however, this was not matched by an increase in income, as the majority of academies opted not to buy in to this service. The shortfall is likely to get worse as the remaining schools convert to academy status, and the service cannot reduce staffing levels further without causing operational issues. The budget is historic and assumes funding of approx. £200k from school related works (10% charges on works of approx. £2M). The latest capital programme suggests that most of this work will fall out in 16-17 and consequently the shortfall is expected to increase to £191K in 16-17. An historic shortfall in caretaking income of £11k Dr is expected to continue. These overspends are offset by a projected underspend of £50k Cr on the Walnuts Boiler Plant (mainly relating to gas) which is likely to be ongoing.