

Decision Maker: EXECUTIVE

Date: 30th November 2016

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2016/17

Contact Officer: Tracey Pearson, Chief Accountant
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Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for report

1.1 This report provides the second budget monitoring position for 2016/17 based on expenditure and activity levels up to the end of September 2016. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.

2. RECOMMENDATION(S)

2.1 Executive are requested to:

- (a) consider the latest financial position;
- (b) note that a projected net overspend on services of £7,377k is forecast based on information as at September 2016;
- (c) consider the comments from the Education, Care and Health Services Department, the Director of Education and the Executive Director of Environment and Community Services as detailed in sections 3.2 and 3.3;
- (d) note a projected variation of Cr £3.4m in the Central Contingency as detailed in section 3.4;
- (e) note a projected reduction to the General Fund balance of £5.4m as detailed in section 3.7;
- (f) agree the release of £33k from the Central contingency to cover the recent increase in employment tribunal work as detailed in para 3.4.3;

- (g) agree the release of £97k for the Youth Offending Service from the Central Contingency as detailed in para 3.4.4;**
- (h) note that reports elsewhere on the agenda request the drawdown of a total of £1,574k from the Central Contingency as set out in para 3.4.2;**
- (i) note the carry forwards being requested for drawdown from the Central Contingency totalling £97k (net) as detailed in section 3.5;**
- (j) note the Prior Year Adjustment of £69k as detailed in section 3.6;**
- (k) note the full year costs pressures of £4.8m as detailed in section 3.8;**
- (l) note that additional £80k funding relating to the New Homes Bonus has been transferred to the Investment Fund earmarked reserve as detailed in para 3.12.1;**
- (m) identify any issues that should be referred to individual Portfolio Holders for further action.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: None arising directly from this report.
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: N/A:
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £209.7m
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
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Personnel

1. Number of staff (current and additional): 2,555 (per 2016/17 Budget), which includes 911 for delegated budgets to schools.
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972, the Local Government Finance Act 1998, the Accounts and Audit Regulations 2015, the Local Government Act 2000, and the Local Government Act 2002.
 2. Call-in: Call-in is Applicable:
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Procurement

1. Summary of Procurement Implications: None arising directly from this report
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2016/17 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Council wide

3. COMMENTARY

3.1 Summary of Projected Variations

3.1.1 The Resources Portfolio Plan included the target that each service department will spend within its own budget. Current projections show an overall net overspend of £7,377k on portfolio budgets and Cr £3,710k variation on central items.

3.1.2 A summary of the 2016/17 budget and the projected outturn is shown in the table below:

Portfolio	2016/17	2016/17	2016/17	2016/17
	Original Budget £'000	Latest Budget £'000	Projected Outturn £'000	Variation £'000
Care Services	92,548	92,591	98,468	5,877
Education	5,245	5,591	6,678	1,087
Environment	31,203	31,702	31,474	Cr 228
Public Protection & Safety	1,948	1,928	1,908	Cr 20
Renewal & Recreation	8,953	9,237	9,208	Cr 29
Resources	39,399	42,131	42,821	690
Total Controllable Budgets	179,296	183,180	190,557	7,377
Capital Charges and Insurance	11,521	11,521	11,521	0
Non General Fund Recharges	Cr 772	Cr 772	Cr 772	0
Total Portfolio Budgets	190,045	193,929	201,306	7,377
Contingency Provision	15,629	13,655	10,264	Cr 3,391
Interest on General Fund Balances	Cr 3,491	Cr 3,491	Cr 3,741	Cr 250
Other Central Items	5,563	5,563	5,643	80
Prior Year Adjustments	0	0	Cr 69	Cr 69
General Government Grants & Retained Business Rates	Cr 67,151	Cr 67,359	Cr 67,439	Cr 80
Collection Fund Surplus	Cr 4,912	Cr 4,912	Cr 4,912	0
Total Central Items	Cr 54,362	Cr 56,544	Cr 60,254	Cr 3,710
Total Variation	135,683	137,385	141,052	3,667

3.1.3 A detailed breakdown of the latest approved budgets and projected outturn for each Portfolio, together with an analysis of variations, is shown in Appendix 2.

3.2 Comments from the Education, Care and Health Services Department

Care Services Portfolio

3.2.1 The Care Services Portfolio is currently estimated to overspend by £5,877k in 2016/17 with a full year effect of £4,682k.

3.2.2 There continues to be pressures in Adult Social Care mainly due to placements, domiciliary care and direct payments. Management action is addressing savings targets although these continue to be a challenge in some areas where demand for services is increasing.

3.2.3 Domiciliary Care Packages are continuing to be reviewed. High levels of scrutiny are in place in all cases where there is a request for an increase.

3.2.4 Additional posts are being recruited to in the Reablement Service. Once these are in place the service will have the capacity to manage around 50/55 Service Users per month which should result in some efficiencies working their way through the system.

- 3.2.5 In addition, we are seeing much more complexity in users' needs as they come through to us later in their journeys. We have much more work to do in reviewing high cost placements, ceiling rates and assessments whilst working to manage parental expectations within Learning Disabilities. The department will be working to look at other efficiency plans that may require policy change.
- 3.2.6 Commissioning activity continues to secure value for money through contract negotiations making a significant contribution to the savings targets.
- 3.2.7 Children's social care continues to see pressures in placements, fostering and care proceedings costs with an increase of children coming through the system. A range of urgent management actions have been put in place to reduce expenditure without compromising child safety including recruitment having to be agreed by the Chief Executive and the Leader. All placements have to be signed off by the Assistant Director, Children's Social Care.
- 3.2.8 The department will be closely monitoring expenditure and the figures will be updated as the year progresses. Further detail is provided in the 2016/17 Budget Monitoring report to the Care Services Policy Development and Scrutiny Committee on 15th November 2016.

Comments from the Director of Education

- 3.2.9 SEN transport is the main cost pressure area. A thorough review of the budget and reasons for the increase in the anticipated overspend is currently underway. This will identify:
- (i) the degree to which the change in contract has affected costs;
 - (ii) the degree to which the increase of the age range (0-25 years) for children and young people with SEN to receive support has impacted on transport costs.

The department will also revisit cost saving measures that include:

- (i) reviewing route planning methodology;
 - (ii) reviewing the provider framework in order to encourage more companies to offer their services and so create a more competitive environment;
 - (iii) reviewing the SEN strategy to increase in-borough provision and so reduce costly out of borough placements that also impact significantly on the transport budget - this will take some years to have a measurable impact;
 - (iv) reassessing whether the introduction of muster points would significantly impact on the transport budget. This may require an 'invest to save' proposal to Members.
- 3.2.10 A review of SEN services delivered directly by the Council is currently underway with the ambition of reducing costs within the DSG budget area. The high cost of out of borough placements needs to be brought down significantly and currently a comprehensive SEN place planning exercise is underway, forecasting need over time and looking at whether in-borough provision can be increased.

3.3 Comments from the Executive Director of Environment and Community Services (Resources Portfolio)

- 3.3.1 Total Facilities Management has a net overspend of £558k for 2016/17 mainly due to a shortfall of Investment income. The income budget for properties purchased from the Investment fund was increased by £2.185m. £1.249m has been generated to date and a shortfall of £936k is projected for 2016/17. This deficit is partly offset by additional income generated from rent reviews, new tenancies and other investment properties totalling £370k.

Other variations across the service total Cr £8k. On 1st November 2016, Executive agreed to purchase further properties that could provide annual net income of £897k if the purchases are completed which would more than meet the target of £2.185m in a full year.

3.4 Central Contingency Sum

- 3.4.1 Details of the allocations from and variations in the 2016/17 Central Contingency are included in Appendix 3.
- 3.4.2 There are reports elsewhere on the agenda requesting the drawdown of the following items from the central contingency:
- (i) Deprivation of Liberty Safeguards - £66k
 - (ii) Increased Cost of Homelessness - £760k
 - (iii) Tackling Troubled Families Grant - £748k

The figures contained in this report assume that these requests will be agreed.

- 3.4.3 There has been a recent increase in employment tribunal work, including two high profile cases, which require additional legal resources and Members are requested to agree a one-off drawdown of £33k from the Central Contingency to cover this cost.
- 3.4.4 The Youth Offending Service (YOS) is being restructured in order to meet budget requirements and to cover a reduction in government grant. Although balanced in 2017/18, the proposed establishment cannot be achieved in 2016/17 due to additional costs of employing an Interim Head of Service, the additional half year costs of seconding a manager from the YJB and two additional unqualified posts necessary for this interim period. £97k was carried forward from 2015/16 to meet these costs and is currently held in the Central Contingency. Members are asked to agree the release of the £97k to the Education Portfolio.
- 3.4.5 A prudent approach was adopted in considering the 2016/17 Central Contingency sum to reflect any inherent risks, the potential impact of new burdens, population increases or actions taken by other public bodies which could affect the Council. If the monies are not required then the general policy has been to use these for growth, investment and economic development to generate additional income and provide a more sustainable financial position.
- 3.4.6 Based on the latest financial position, there is a forecast net variation of Cr £3.4m following a review of the remaining contingency provisions and an estimate of likely further drawdown requirements for the remainder of the year. At this stage, no allowance has been made for this funding to be set aside for growth and investment due to the overall financial position, as set in in para. 3.1. The position will continue to be closely monitored and the utilisation of variations in the central contingency will be considered in future monitoring reports and as part of the final outturn report.

3.5 Carry Forwards from 2015/16 to 2016/17

- 3.5.1 On 15th June 2016 Executive approved the carry forward of 2015/16 underspends totalling £1,401k (net) subject to the funding being allocated to the Central Contingency to be drawn down on the approval of the relevant Portfolio Holder. To date £1,007k has been approved for draw down with a further £97k (net) requested this cycle. In addition, £301k relating to the Council's repairs and maintenance budgets was carried forward under delegated authority.
- 3.5.2 The carry forwards being requested to be drawn down this cycle are summarised in the table below. The figures contained in this report assume that these requests will be agreed.

Care Services PDS Committee 15 th November 2016	£'000
Preventing Homelessness	200
Implementing Welfare Reform Changes	57
Tackling Troubled Families (para 3.4.2)	138
Total Expenditure	395
Grant Income	(395)
Net Expenditure	0
Subject to Executive Approval 30 th November 2016	
YOS Strategy Review (para 3.4.4)	97
Tackling Troubled Families (para 3.4.2)	610
Total Expenditure	707
Grant Income	610
Net Expenditure	97

3.6 Prior Year Adjustments

3.6.1 A provision previously set aside to meet costs related to the localisation of terms and conditions is no longer required and the balance of £69k has therefore been returned to the General fund.

3.7 General Fund Balances

3.7.1 The level of general reserves is currently projected to reduce by £5.4m to £14.6m at 31st March 2017 as detailed below:

	2016/17 Projected Outturn £'000
General Fund Balance as at 1st April 2016	Cr 20,000
Net Variations on Services & Central Items (para 3.1)	3,667
Adjustments to Balances:	
Carry Forwards (funded from underspends in 2015/16)	1,702
General Fund Balance as at 31st March 2017	Cr 14,631

3.8 Impact on Future Years

3.8.1 The report identifies expenditure pressures which could have an impact on future years. The main areas to be considered at this stage are summarised in the following table:

	2016/17 Budget £'000	2017/18 Impact £'000
Care Services Portfolio		
Assessment & Care Management - Care Placements	18,716	904
Learning Disabilities - Care Placements and Care Management	30,400	813
Mental Health - Care Placements	5,881	444
Children's Social Care	27,444	2,593
		4,754

3.8.2 Given the significant financial savings that the Council will need to make over the next four years, it is important that all future cost pressures are contained and that savings are identified early to mitigate these pressures.

- 3.8.3 There remain risks arising from the scale of budget savings required to address the budget gap as well as the cost pressures arising from new burdens and the impact of Government policy changes including welfare reforms and the new Living Wage. Action will need to be taken to contain, where possible, these cost pressures managing the implementation of savings or seeking alternative savings where required.
- 3.8.4 Further details, including action to be taken to contain future cost pressures, are included in Appendix 4.

3.9 Interest on Balances

- 3.9.1 Increases in the limits for the two part-nationalised banks (Lloyds and RBS) approved by the Council in October 2014, together with higher rates from longer-term deals placed with other local authorities, higher average balances than anticipated and the strong performance of the CCLA Property Fund resulted in a considerable improvement in interest earnings in 2015/16. As a result, an additional £1,250k was included in the 2016/17 budget to reflect the increased interest earnings being achieved (with 1% assumed for new investments). This was partly offset by £500k reduced income to reflect a reduction in balances as a result of further property acquisitions providing a net increase of £750k in 2016/17 (£3,491k 2016/17 budget compared to £2,741k in 2015/16). Based on most recent projections, surplus income of £250k is currently projected although it should be noted that, due to the volatility of the Diversified Growth Funds, this position may vary (potentially significantly) by the end of the financial year.

3.10 Section 106

- 3.10.1 An update on Section 106 balances as at 31st August 2016 is included in Appendix 5. Further details on the arrangements for utilising Section 106 monies are provided in the “Capital Programme Monitoring – 2nd Quarter 2016/17” report elsewhere on the agenda.

3.11 The Schools Budget

- 3.11.1 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.
- 3.11.2 There is a total projected underspend of £104k on DSG funded services which will be added to the £3.7m carried forward from 2015/16. This will fund one off capital projects for the Beacon House refurbishment and agreed growth in 2016/17 for bulge classes so the brought forward balance has now been fully allocated. Details of the 2016/17 monitoring of the School's Budget will be reported to the Education Portfolio Holder.

3.12 Investment Fund and Growth Fund

- 3.12.1 As it's meeting on 13th January 2016, Executive agreed that the New Homes Bonus be set aside to provide additional funding for the Council's Investment Fund (£7,402k). Confirmation has since been received that total funding in 2016/17 is £7,482k and Members are requested to note that the additional £80k has also been added to the Investment Fund.
- 3.12.2 Full details of the current position on the Investment Fund and the Growth Fund are included in the Capital Programme Monitoring report elsewhere on the agenda. The uncommitted balances currently stand at £17.9m on the Investment Fund and £4.6m on the Growth Fund.

4 IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The 2016/17 budget reflects the financial impact of the Council's strategies and service plans which impact on all of the Council's customers and users of our services.

5 POLICY IMPLICATIONS

5.1 The "Building a Better Bromley" objective of being an Excellent Council refers to the Council's intention to ensure good strategic financial management and robust discipline to deliver within our budgets.

5.2 The "2016/17 Council Tax" report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2016/17 to minimise the risk of compounding financial pressures in future years.

5.3 Chief Officer's comments are included in sections 3.2 and 3.3.

6 FINANCIAL IMPLICATIONS

6.1 These are contained within the body of the report with additional information provided in the appendices.

Non-Applicable Sections:	Personnel, Legal, Procurement
Background Documents: (Access via Contact Officer)	Provisional final Accounts - Executive 15 th June 2016; 2016/17 Council Tax – Executive 10 th February 2016; Draft 2016/17 Budget and Update on Council's Financial strategy 2017/18 to 2019/20 - Executive 13 th January 2016; Capital Programme Monitoring Report – elsewhere on agenda; Treasury Management Annual Report 2015/16 – Executive & Resources PDS 7 th July 2016; Financial Management Budget Monitoring files across all Portfolios.

GENERAL FUND - PROJECTED OUTTURN FOR 2016/17

Portfolio	2016/17 Original Budget £'000	Budget Variations allocated in year # £'000	2016/17 Latest Approved Budget £'000	2016/17 Projected Outturn £'000	Variation £'000	Variation previously reported to Exec 20/07/16 £'000
Care Services	92,548	43	92,591	98,468	5,877	3,333
Education (incl. Schools' Budget)	5,245	346	5,591	6,678	1,087	684
Environment	31,203	499	31,702	31,474	Cr 228	0
Public Protection & Safety	1,948	Cr 20	1,928	1,908	Cr 20	0
Renewal and Recreation	8,953	284	9,237	9,208	Cr 29	200
Resources	39,399	2,732	42,131	42,821	690	Cr 112
Total Controllable Budgets	179,296	3,884	183,180	190,557	7,377	4,105
Capital and Insurances (see note 2)	11,521	0	11,521	11,521	0	0
Non General Fund Recharges	Cr 772	0	Cr 772	Cr 772	Cr 0	0
Total Portfolios (see note 1)	190,045	3,884	193,929	201,306	7,377	4,105
Central Items:						
Interest on General Fund Balances	Cr 3,491	0	Cr 3,491	Cr 3,741	Cr 250	0
Contingency Provision (see Appendix 3)	15,629	Cr 1,974	13,655	10,264	Cr 3,391	0
Other central items						
Reversal of Net Capital Charges	Cr 10,203	0	Cr 10,203	Cr 10,203	0	0
Contribution to Investment and Other Funds	9,470	0	9,470	9,550	80	0
Set Aside Prior Year Collection Fund Surplus	4,912	0	4,912	4,912	0	0
Levies	1,384	0	1,384	1,384	0	0
	5,563	0	5,563	5,643	80	0
Prior Year Adjustments						
Localised Pay Contracts	0	0	0	Cr 69	Cr 69	0
Bromley's Requirement before balances	207,746	1,910	209,656	213,403	3,747	4,105
Carry Forwards from 2015/16 (see note 3)	0	Cr 1,401	Cr 1,401	0	1,401	1,401
Carry Forward from 2015/16 Delegated Authority - R&M	0	Cr 301	Cr 301	0	301	301
Adjustment to Balances	Cr 0	0	Cr 0	Cr 5,369	Cr 5,369	Cr 5,807
Revenue Support Grant	207,746	208	207,954	208,034	80	0
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 21,293	0	Cr 21,293	Cr 21,293	0	0
New Homes Bonus	Cr 35,387	0	Cr 35,387	Cr 35,387	0	0
New Homes Bonus Top Slice	Cr 7,402	0	Cr 7,402	Cr 7,482	Cr 80	0
Transition Grant	Cr 986	Cr 223	Cr 1,209	Cr 1,209	0	0
Local Services Support Grant	Cr 2,068	0	Cr 2,068	Cr 2,068	0	0
Collection Fund Surplus	Cr 15	15	0	0	0	0
Bromley's Requirement	135,683	0	135,683	135,683	0	0
GLA Precept	34,957	0	34,957	34,957	0	0
Council Tax Requirement	170,640	0	170,640	170,640	0	0

# Budget Variations allocated to portfolios in year consists of:	£'000
1) Carry forwards from 2015/16 (see note 3)	1,702
2) Allocations from the central contingency provision (see Appendix 3)	2,197
3) Local Services Support grant allocated to Education	Cr 15
	<u>3,884</u>

1) **NOTES**

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2016/17 Original Budget £'000	Budget Variations allocated in year # £'000	2016/17 Latest Approved Budget £'000	2016/17 Projected Outturn £'000	Variation £'000	Variation previously reported to Executive £'000
Education Care & Health Services	116,280	1,631	117,911	124,927	7,016	4,106
Environmental & Community Services	50,044	896	50,940	50,661	Cr 279	250
Chief Executive's Department	23,721	1,357	25,078	25,718	640	Cr 251
	190,045	3,884	193,929	201,306	7,377	4,105

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 2015/16**

Carry forwards from 2015/16 into 2016/17 totalling £1,702k were approved by the Executive and under the delegated authority of the Director of Finance. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2015/16" report.

Care Services Portfolio Budget Monitoring Summary

2015/16 Actuals £'000	Division Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000	
EDUCATION CARE & HEALTH SERVICES DEPARTMENT									
Adult Social Care									
22,652	Assessment and Care Management	20,334	20,597	21,424	827	1	703	904	
2,516	Direct Services	1,241	844	770	Cr 74	2	0	0	
774	Commissioning & Service Delivery	2,700	1,168	1,187	19		0	0	
28,980	Learning Disabilities	30,685	30,400	31,344	944	3	864	813	
6,092	Mental Health	5,947	5,881	6,186	305	4	40	444	
Cr 312	Better Care Funding - Protection of Social Care	0	0	Cr 207	Cr 207	5	0	0	
60,702		60,907	58,890	60,704	1,814		1,607	2,161	
Operational Housing									
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0	
Cr 2,350	Housing Benefits	Cr 1,907	Cr 1,907	Cr 1,907	0		0	0	
6,364	Housing Needs	6,354	7,114	7,189	75	6	0	0	
1,413	Supporting People	1,051	1,051	1,127	76	7	0	Cr 72	
5,426		5,497	6,257	6,408	151		0	Cr 72	
Children's Social Care									
16,768	Care and Resources	15,978	15,985	18,346	2,361	8	1,479	1,704	
1,853	Safeguarding and Quality Assurance	1,494	2,457	2,542	85		0	0	
5,682	Safeguarding and Care Planning	5,662	5,662	7,121	1,459		247	889	
1,113	Early Intervention and Family Support	998	998	1,008	10		0	0	
2,343	Children's Disability Service	2,342	2,342	2,342	0		0	0	
27,759		26,474	27,444	31,359	3,915		1,726	2,593	
Health Integration									
330	Health Integration Programme	0	330	293	Cr 37	9	0	0	
Carers									
1,301	- Net Expenditure	1,434	1,434	1,299	Cr 135		0	0	
Cr 1,301	- Recharge to Better Care Fund	Cr 1,434	Cr 1,434	Cr 1,299	135		0	0	
Information & Early Intervention									
1,187	- Net Expenditure	1,163	1,163	1,091	Cr 72		0	0	
Cr 1,187	- Recharge to Better Care Fund	Cr 1,163	Cr 1,163	Cr 1,091	72		0	0	
Better Care Fund									
18,692	- Expenditure	19,027	20,158	20,158	0		0	0	
Cr 18,851	- Income	Cr 19,180	Cr 20,311	Cr 20,311	0	0	0		
NHS Support for Social Care									
266	- Expenditure	0	348	348	0	0	0		
Cr 266	- Income	Cr 0	Cr 348	Cr 348	0	0	0		
171		Cr 153	177	140	Cr 37		0	0	
Public Health									
13,578	Public Health	15,106	15,106	15,106	0		0	0	
Cr 13,936	Public Health - Grant Income	Cr 15,478	Cr 15,478	Cr 15,478	0		0	0	
Cr 358		Cr 372	Cr 372	Cr 372	0		0	0	
Cr 1,079	Savings achieved early in 2015/16 for 2016/17	0	0	0	0		0	0	
92,621	TOTAL CONTROLLABLE ECHS DEPT	92,353	92,396	98,239	5,843		3,333	4,682	
2,594	TOTAL NON CONTROLLABLE	363	363	449	86		89	0	
10,424	TOTAL EXCLUDED RECHARGES	10,881	12,355	12,355	0		0	0	
105,639	TOTAL ECHS DEPARTMENT	103,597	105,114	111,043	5,929		3,422	4,682	
Environmental Services Dept - Housing									
189	Housing Improvement	195	195	229	34	10	0	0	
189	TOTAL CONTROLLABLE FOR ENV SVCES DEPT	195	195	229	34		0	0	
407	TOTAL NON CONTROLLABLE	Cr 942	Cr 942	Cr 942	0		0	0	
327	TOTAL EXCLUDED RECHARGES	320	320	320	0		0	0	
923	TOTAL FOR ENVIRONMENTAL SVCES DEPT	Cr 427	Cr 427	Cr 393	34		0	0	
106,562	TOTAL CARE SERVICES PORTFOLIO	103,170	104,687	110,650	5,963		3,422	4,682	

Reconciliation of Latest Approved Budget		£'000
2016/17 Original Budget		103,170
Carry forwards:		
<i>Social Care Funding via the CCG under S256 agreements</i>		
Adult Social Care Invest to Save Schemes		
- expenditure		48
- income	Cr	48
Integration Funding - Better Care Fund		
- expenditure		300
- income	Cr	300
<i>Better Care Fund</i>		
- expenditure		381
- income	Cr	381
<i>Adoption Reform Grant</i>		
- expenditure		132
- income	Cr	132
<i>DCLG Preventing Homelessness Grant</i>		
- expenditure		200
- income	Cr	200
<i>Implementing Welfare Reforms Changes</i>		
- expenditure		56
- income	Cr	56
<i>Tackling Troubled Families</i>		
- expenditure		760
- income	Cr	760
Other:		
Better Care Fund allocation from contingency	Cr	750
Additional income linked to National Living Wage - return to contingency		503
Commissioning restructure	Cr	12
Children's Social Care OFSTED report		950
Items requested this cycle:		
Deprivation of Liberty Safeguards		66
Homelessness		760
		<u>1,517</u>
Latest Approved Budget for 2016/17		<u><u>104,687</u></u>

REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £827k

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

	<u>Current Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>	
Services for 65 +	
- Placements	216
<i>less management action</i>	-210
- Domiciliary Care / Direct Payments	1,419
<i>less management action</i>	-540
Services for 18 - 64	
- Placements	-61
- Domiciliary Care / Direct Payments	73
Extra Care Housing	-32
Staffing	-38
	<hr/> <u>827</u>

The budget for 2016/17 included savings of £2.15m in relation to the Assessment & Care Management budgets. The current projected overspend of £827k assumes that management action of £750k continues for the remainder of the year to bring down costs. If this does not materialise, the overspend will increase.

Services for 65+ - Dr £885k

Services for the 65's and over age group are currently showing a projected overspend of £885k, taking account of management action in relation to savings still to be achieved of £750k.

Residential care placements are currently showing a projected overspend of £288k, whilst Nursing care is projected to underspend by £72k. The savings in this area relate to better management of both internal and external void apartments in extra care housing to reduce numbers placed in residential care, as well as ensuring no placements are made above the council's financial ceiling rates. The combined client numbers are currently 425 which is 27 above the budgeted number. Management action to reduce spend in this area is £210k.

Domiciliary care and direct payments are currently projected to overspend by £1.419m. This area of the budget has the highest savings target to achieve at £1.26m. The savings in this area relate to reviewing packages of care, increasing the capacity of the reablement service so that more clients can be reabled and reduce the reliance on care packages, and additional charging for day and transport services. Management action to reduce spend in this area is £540k.

Extra Care Housing - Cr £32k

The 3 externally run extra care housing schemes are projected to underspend by £32k based on the latest client data. Although average care packages continue to be above the level budgeted for, additional income from client contributions is offsetting some of this additional cost. As mentioned above, avoidance of voids in these schemes is a key element of the 2016/17 budget savings, and there is also a financial cost to the council where a property remains vacant for more than 28 days.

Services for 18 - 64 year olds - Dr £12k

Placements for the 18 - 64 age group are currently showing a projected underspend of £61k, with client numbers slightly below budget. Domiciliary care and direct payments are projected to overspend by £73k

2. Direct Care - Cr £74k

Reablement Service

The reablement service continues to achieve good results in the service it provides, however staff resignations over the past year and the difficulty in recruiting to the subsequent vacant posts is having an impact on the savings that can be achieved. As a result of these vacancies the service is currently predicting an underspend of £74k.

3. Learning Disabilities - Dr £944k

Since the last report the Commissioning restructure has been reflected in budget structures and now all LD services are reported within this line, including LD Care Management, former Commissioning-managed budgets and former LD direct services.

The original 2016/17 LD budget included £1.6m savings for the year. This target has increased during the year to a) include a share of departmental savings that had previously not been identified from a specific area (£160k) and b) to fund the net cost of the temporary team of staff working on delivering the savings (£145k net). Progress on achieving the savings is being closely monitored and the projections take into account both savings achieved to date and planned savings for the remainder of the year. If action to deliver the planned savings doesn't materialise, or materialises to a lesser extent, then the projected overspend may increase.

Cost pressures relating to transition clients, increased client needs and Ordinary Residence cases have been partly mitigated by the overachievement of savings on supported living contracts.

At this stage in the financial year the projections continue to include a level of assumption relating to uncertainties e.g. increased care needs, carer breakdowns, attrition, health funding, start dates for new packages etc. Based on the information currently available a net overspend of £944k is anticipated but this could still vary significantly as the year progresses.

4. Mental Health - Dr £305k

The original 2016/17 MH placements budgets included £254k savings which, at the end of 2015/16, had been fully achieved in advance. Since then, however, some pressures have emerged with additional demand for services. It is also thought that there has been a degree of mis-classification of new clients' Primary Support Reasons (PSRs) which could be distorting the projections. This may be overstating spend on Mental Health but not the overall Care Services position as, if the clients are not MH, they will move to another PSR budget but still within Care Services.

Work is currently underway to investigate this and adjust accordingly.

A further £40k has been added to the savings target for MH to include a share of departmental savings that had previously not been identified from a specific area.

5. Better Care Fund - Protection of Social Care - Cr £207k

A number of local authority adult social care services are funded by the element of the Better Care Fund set aside to protect social care services. This includes funding previously received under the former Department of Health Social Care Grant.

These services are currently projected to underspend by £207k in 2016/17 and this will be used to offset other budget pressures within social care in line with the intentions of the funding.

6. Housing Needs - £75k

A variation of £613k is currently projected for Temporary Accommodation budgets. This pressure is expected to be covered via a request to draw down funds held in contingency. The increase is due to higher client numbers and rising unit costs, and the projections assume the trend continues for the rest of the financial year.

Due to the recent increase in the number of new Homelessness clients being recorded by the Council (including 30 in one week), the projected number of new clients we are expecting each month in the forecast has increased from 15 to 17 per month. This has had the effect of increase the forecast in this period by £89k for the year.

In addition, by necessity there has been increasing use of non-self-contained accommodation outside of London. Although on the face of it this appears beneficial as the charges are lower, the housing benefit subsidy is capped at the Jan 2011 LHA rates (without the 90% + £40 admin formula that self contained accommodation attracts), thus often making these placements more costly than those in London, especially when the monitoring and furniture storage costs are factored in.

The full year effect of the projected overspend is currently anticipated to be a pressure of £841k in 2017/18.

However, this only takes account of projected activity to the end of the financial year and does not include any projected further growth in numbers beyond that point.

Currently there is a £125k pressure relating to the storage of furniture for client's who have had to go into Temporary Accommodation.

One of the Traveller sites is experiencing a high use of utilities (overspend of £75k) due to the site not having meters. This has been a pressure for some time and has previously been covered by underspends in other areas of the budget which is unlikely to happen in the current financial year. There is a Capital Project to install meters on the site in question that has been delayed.

7. Supporting People - Dr £76k

Savings totalling £370k were built in to the 2016/17 Supporting People budget and it is currently estimated that only £294k will be delivered in 2016/17. However 2016/17 tendering activity should deliver the savings required in a full year and this is assumed in the modelling.

8. Children's Social Care - Dr £3,915k

The current projected overspend in Children's Social Care is £3,915k, with the main areas of under / overspending shown below. The budget includes savings assumptions from management action for the remainder of the year as per the budgeted savings targets. If this does not materialise then the overspend will increase.

Care and Resources - Dr £2,361k

Placements - Dr £1,541k

The budget for 2016/17 for children's placements included savings of £1,119k. Projections indicate a projected overspend in the region of £1,791k, however there is a savings target to reduce this in year. This figure includes assumptions around future placements, although the level of volatility around this budget makes predictions difficult.

Leaving Care - Dr £493k

The cost's in relation to clients leaving care at the age of 16 or 17 has risen drastically from the figure reported in May, with an overspend of £302k being projected compared to an underspend of £19k in May.

For the 18 plus client group there continues to be differences between the amount being paid in rent and the amount reclaimable as housing benefit, mainly due to lack of supply of suitable accommodation and the rental price. The current overspend is £190k based on the current numbers of client's in the service, although this is a reduction of £76k on the last reported figure. This amount could rise if net client numbers increase.

Staffing - Dr £327k

See note below relating to staffing budgets across the Division.

Safeguarding & Care Planning - Dr 1,459k

No Recourse to Public Funds - Cr £45k

The projected cost to Bromley for people with no recourse to public funding continues to underspend, with a current projection of Cr £45k reported. Additional budget was moved into this area in 2015/16 to deal with a previous overspend on the budget. Currently there are 28 children with families receiving funding, compared to 48 at the end of 2015-16. This budget does however remain volatile.

Public Law Outline - Court Ordered Care Proceedings - Dr £988k

Cost's in relation to care proceedings are currently expected to be £988k above the budget provision of £542k. This is an increase of £704k from the figure reported for May. The main area of overspend is in community based and residential based parenting assessments which are largely outside the control of the council.

Staffing - Dr £516k

See note below relating to staffing budgets across the Division.

Safeguarding and Quality Assurance / Early Intervention and Family Support - Dr £95k

Staffing - Dr £95k

See note below relating to staffing budgets across the Division.

Children's Social Care Staffing

Analysis of the staffing budgets across the whole of Children's Social Care has identified possible overspend's across most of the teams. Officers are currently working to understand the reason for this large overspend and appropriate action will need to be taken to bring this projection down. The main reason appears to be the use of more costly locum staff.

9. Health Integration Division - Cr £37k

The Health Integration Division is newly formed as a result of the Commissioning restructure and includes the budgets for: Information and Early Intervention; Carers; Better Care Fund; NHS Support for Social Care and the Health Integration Programme Team.

The total projected underspend for the Division is currently £244k. Of this, £207k relates to services funded by the Better Care Fund and referred to at ref 5 above. The remaining underspend of £37k relates to vacancies in the Programme Team.

10. Environmental Services Department - Housing Improvement - Dr £34k

There is a projected shortfall within renovation grant agency fee income of £34k, due to a delay in assessments and referrals for work to be carried out which has a corresponding effect on the fees earned by the Housing Improvement Team. A review of OT referral times is underway.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub-Committee bi-annually.

Since the last report to the Executive, waivers were approved as follows:

- (a) There were 12 contract waivers agreed for a contracts valued over £50k.
- (b) There were 17 waivers agreed for care placements in both adults and children's social care services over £50k but less than £100k and 20 waivers agreed for over £100k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, the following virement has been actioned.

There has been one virement of £145k (net) approved by the Portfolio Holder for a non-recurrent investment in LD resources to support the efficiency project to deliver the required budget savings.

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 233	Adult Education Centres	Cr 288	Cr 288	Cr 288	0		0	0
231	Alternative Education and Welfare Service	250	250	250	0		0	0
264	Schools and Early Years Commissioning & QA	391	391	379	Cr 12	1	0	0
5,141	SEN and Inclusion	4,869	5,037	6,270	1,233	2	600	0
207	Strategic Place Planning	205	205	205	0		0	0
Cr 15	Workforce Development & Governor Services	18	18	18	0		1	0
Cr 1,650	Education Services Grant	Cr 1,728	Cr 1,728	Cr 1,257	471	3	480	552
	Education Funds Held in Contingency			Cr 471	Cr 471	3	Cr 480	Cr 552
Cr 1,395	Schools Budgets	Cr 1,219	Cr 1,219	Cr 1,219	0	4	0	0
175	Other Strategic Functions	179	260	260	0		0	0
2,725		2,677	2,926	4,147	1,221		601	0
Children's Social Care								
1,757	Bromley Youth Support Programme	1,438	1,535	1,547	12	5	83	0
1,872	Early Intervention Services	1,130	1,130	984	Cr 146	6	0	0
3,629		2,568	2,665	2,531	Cr 134		83	0
6,354	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	5,245	5,591	6,678	1,087		684	0
11,061	Total Non-Controllable	4,198	4,198	4,198	0		0	0
3,396	Total Excluded Recharges	3,240	3,008	3,008	0		0	0
20,811	TOTAL EDUCATION PORTFOLIO - ECHS	12,683	12,797	13,884	1,087		684	0
Memorandum Item								
Sold Services								
Cr 62	Education Psychology Service (RSG Funded)	Cr 18	Cr 18	Cr 18	0	} 7	0	0
Cr 43	Education Welfare Service (RSG Funded)	Cr 33	Cr 33	Cr 33	0		0	0
Cr 33	Workforce Development (DSG/RSG Funded)	Cr 11	Cr 11	Cr 11	0		0	0
0	Governor Services (DSG/RSG Funded)	Cr 6	Cr 6	Cr 6	0		0	0
Cr 66	Community Vision Nursery (RSG Funded)	0	0	0	0		0	0
Cr 23	Blenheim Nursery (RSG Funded)	0	0	0	0		0	0
0	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	Total Sold Services	Cr 68	Cr 68	Cr 68	0		Cr 22	0

Reconciliation of Latest Approved Budget**£'000****Original Budget 2016/17****12,683****Carry forwards:**

SEN Implementation Grant 2015/16

- expenditure

28

- income

Cr 28

Contingency:

SEN Implementation Grant 2016/17

- expenditure

180

- income

Cr 180

SEN Regional Lead Grant 2016/17

- expenditure

28

- income

Cr 28

Other:

Transfer of SEN Transport staffing post

20

Transfer of staff as part of the Commissioning

12

Restructure

LSSG - Extended Rights to Free Travel Grant

Cr 15

Items Requested this Cycle:

YOS Service Strategy Review

97

Latest Approved Budget for 2016/17**12,797**

REASONS FOR VARIATIONS

1. Schools and Early Years Commissioning & QA - Cr £12k

There is a £12k underspend due to staffing changes within one cost centre.

A report recently went to the Commissioning Board relating to the two in-house nurseries within this area. The Commissioning Board has requested a management action plan be drawn up to put the nurseries on a break even position going forward. As the management action is likely to include some sort of staffing reorganisation it is likely that the management action plan will not be fully implemented until the start of the new Financial Year.

2. SEN and Inclusion - Dr £1,233k

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 Implementation (New Burdens) Grant. LBB's allocation of this grant for 2016/17 is £201k, of which £180k was approved for drawdown by Executive in March 2016, in addition to the carry forward of £108k of the 2015/16 grant that was not used.

Additionally the Department for Education has provided us with a SEND Regional Lead Grant in 2016/17 that is used in partnership with Enfield to support the role of regional lead for the implementation of the Special Educational Needs reforms. LBB's allocation of this grant for 2016/17 is £28k, along with a carry forward of £15k of the 2015/16 grant that was not used.

Although the travel training programme continues with success and has contributed to improved outcomes and helps address annual volume increases, SEN transport is currently projected to overspend by £1.2m. A significant part of this relates to the cost of the new contracts which commenced on 01/09/2015 with a revised pricing framework, which, with no provision for inflation over the life of the contracts, are assumed to have front-loaded inflationary increases. The remainder of the overspend is due to the increased number of routes required during the year and the complexity of the clients using them (i.e. the need to have assistants on the transport route due to the young age of the client).

Central Government pay Councils the Extended Rights to Free Travel grant (funding for children to get to school) directly to us instead of as part of a number of grants. Due to this change the grant now sits in the Education portfolio instead of within Corporate. This has resulted in a £4k underspend as the budget was less than the actual income we are now receiving.

3. Education Services Grant - Dr £471k

Current projections for the Education Services Grant (ESG) allocation is £471k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. The current projection is based on the 8 conversions that have already happened this year, and a further school that will be converting during the remainder of the year. The full year effect of these conversions is £552k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

4. Schools Budgets (no impact on General Fund)

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided 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.

The total projected net underspend of £104k will therefore add to the £3.7m carried forward from 2015/16. The carry forward is being used to fund the refurbishment of Beacon House and to fund growth in bulge classes.

Bulge classes are currently expected to overspend by £100k for this financial year. Additionally we are currently expecting to spend £192k on modular classroom rentals during the year. Both of these figures may increase once the requirements for the new academic year have been established from the October school census.

The underspends above are offset by a continued increase in the requirement for bulge classes at both primary and secondary schools. The current budget for bulge classes is £2.5m (an increase of £1m from 2015/16) that was agreed by the School Forum, and funded from the DSG carry forward. Schools Forum reviewed the future funding of bulge classes and decided not to make any changes for 2016/17, however this will be reviewed again for 2017/18, especially in light of the projected pressures across DSG as a whole.

There is currently an expected overspend of £55k on Special Schools. This relates to a payment that needed to be made this year relating to 2015/16.

Phoenix Pre School Services are currently in negotiation with their landlord over a new rental agreement for the centre they currently occupy. The new agreement is expected to lead to an above inflation increase in their rent. Ways of covering this rental income with additional income elsewhere are currently being finalised. The additional income is expected to cover the whole of the rental increase and not lead to a pressure on this budget.

SEN placements are projected to overspend by a total of £434k. This overspend is mainly due to a higher than expected number of children attending Independent Day Schools (£809k) and Maintained Day Schools (£320k). There is also an increased use of Alternative support (£205k). These overspends are then offset with underspends on children being placed in Independent Boarding schools (£822k) and higher than expected income to be collected (£82k).

SEN Support for clients in Further Education Colleges is expected to overspend by £68k this year. The reason for this is due to the overspend in the cost of placing clients in colleges (mainly Bromley). This is being offset by the cost of placements at Independent providers.

Free Early Years Education is forecast to underspend by £58k this year. This is down to the £158k underspend in the summer term for the 2 year old age range. This is being off set by an overspend in the first half of the Autumn Term (£47k) and an £53k overspend for the year in the 3 & 4 years age range.

The DSG funded element of SEN Transport is projected to underspend by £144k. 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 further increased take up of lower cost in-borough placements in future years. This figure is likely to change once the routes for the new academic year have been finalised.

	Variations £'000
Bulge Classes	100
Modular classroom rentals	192
Special Schools/units	55
Free Early Education - 2 year olds	Cr 111
Free Early Education - 3 & 4 year olds	53
Standards Fund Grant	Cr 745
SEN:	
- Placements	434
- Support in FE colleges	68
- Transport	Cr 144
- Other Small Balances	Cr 6
	<u>Cr 104</u>

5. Bromley Youth Support Programme - Dr £12k

The Youth Service has a projected overspend in year on salaries and some running costs whilst the restructure required to reconfigure the service to achieve the 2015-16 saving is completed with the service continuing to provide both universal and targeted youth support.

The pressure in the Youth Offending Team is due to the funding they receive from the Youth Justice Board being further reduced in April by £22k. A review of their existing services will be carried out to address this shortfall in future years.

The Bromley Education Business Partnership has seen an in-year underspend (£71k) relating to salary costs during a period of recruitment which has occurred whilst the service has been waiting for final confirmation of funding from Members and external bodies.

	Variations £'000
Youth Services	61
Youth Offending Team	22
Bromley Education Business Partnership	Cr 71
	<u>12</u>

6. Early Intervention Services - Cr £146k

Two services within the area have in year salary savings during a period of recruitment which has now been completed.

	Variations £'000
Bromley Children's Project	Cr 108
Parent Partnership	Cr 38
	<u>Cr 146</u>

7. Sold Services (net budgets)

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

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. Since the last report to the Executive, eight waivers have been actioned.

Annual Value	Number of Waivers
Under £50k	6
£50k to £250k	1
£250k to £500k	1
Total	<u>8</u>

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, three virements have been actioned all in the range of £10k to £15k. These relate to adjustments to realign the SEN Reform Grant and to move budgets to allow a post to be increased.

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT PORTFOLIO							
	Street Scene & Green Spaces							
5,445	Parks and Green Spaces	5,109	5,091	5,161	70	1	0	0
417	Street Regulation and Enforcement incl markets	386	364	329	Cr 35	2	0	0
17,599	Waste Services	17,206	17,206	17,213	7	3	Cr 140	0
3,891	Street Environment	4,181	4,181	4,181	0		0	0
808	Management and Contract Support	781	781	781	0		0	0
629	Transport Operations and Depot Management	811	791	758	Cr 33	4	0	0
280	Trees	683	723	723			0	0
29,069		29,157	29,137	29,146	9		Cr 140	
	Parking Services							
Cr 7,455	Parking	Cr 7,041	Cr 6,775	Cr 7,046	Cr 271	5-9	140	0
Cr 7,455		Cr 7,041	Cr 6,775	Cr 7,046	Cr 271		140	0
	Transport & Highways							
112	Traffic & Road Safety	206	206	206	0	10	0	0
10,035	Highways (including London Permit Scheme)	8,881	9,134	9,168	34	11	0	0
10,147		9,087	9,340	9,374	34		0	0
31,761	TOTAL CONTROLLABLE	31,203	31,702	31,474	Cr 228		0	0
8,075	TOTAL NON-CONTROLLABLE	5,299	5,434	5,368	Cr 66	12	0	0
2,429	TOTAL EXCLUDED RECHARGES	2,041	2,041	2,041	0		0	0
42,265	PORTFOLIO TOTAL	38,543	39,177	38,883	Cr 294		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2016/17

38,543

Transfer of budget for staffing back to SEN - Education S/E 884.

Cr 20

Parking carry forward re automated bus lane and non- bus lane cameras

306

WEEE Grant Income

Cr 13

WEEE Grant Expenditure

13

Drainage Water Grant Income

Cr 69

Drainage Water Grant Expenditure

69

Lead Local Flood grant

213

Repairs and Maintenance

135

Latest Approved Budget for 2016/17

39,177

REASONS FOR VARIATIONS

1. Parks and Green Spaces Dr £70k

There is currently a projected overspend of £70k for water charges at Crystal Palace, due to the receipt of several amended backdated bills based on actual meter readings. To date, bills have only been received up to mid- December 2015 and officers are working closely with Thames Water to investigate the reason for the large variation between estimated and actual readings as well as to obtain the most up to date bills.

2. Street Regulation and Enforcement incl markets Cr £35k

Surplus income of £25k is projected for Market Charges and Street Trading Licences due to additional street traders being taken on and specialist markets being run. In addition income from Skip Licences is expected to be £10k higher than budget due to increased activity.

3. Waste Services Dr £7k

Disposal tonnages from increased trade waste delivered activity are projected to be around 1,400 tonnes above budget resulting in an overspend of £200k. For information, there has been an additional 590 tonnes at the weighbridges for the first five months of the year compared to the same period in 2015-16.

As a direct consequence of the extra tonnage described above, the projected additional income generated from trade waste delivered is £200k which offsets the disposal overspend from weighbridge tonnage.

Green Garden Waste disposal tonnage is projected to generate an overspend of around £90k. Tonnage is above the 2015/16 levels by 1,630 tonnes for the same period. The annual figure is expected to be 17,170 tonnes, which is 2,500 above the 2015/16 tonnage.

For other residual tonnage, there is a projected overspend of £30k.

Within paper recycling income, there is a projected surplus of £70k as tonnage is expected to be 1,040 tonnes above budget.

The projected reduction in detritus tonnage has resulted in a potential underspend of £38k for disposal costs.

Other minor variations across the waste services total £5k.

Summary of overall variations within Waste Services	£'000
Waste disposal tonnages - other residual tonnage	30
Waste disposal tonnages - Trade Waste Delivered	200
Waste disposal tonnages - Green Garden Waste	90
Surplus trade waste delivered income	Cr 200
Paper recycling income	Cr 70
Disposal of detritus tonnage	Cr 38
Other minor variations across waste services	Cr 5
Total variation for Waste Services	<u><u>7</u></u>

4. Transport Operations and Depot Management Cr £33k

Due to a part year savings achieved on the Mail Delivery Service as reported to the Executive on 20th July 2016, there is a projected underspend of £33k.

5. Income from Bus Lane Contraventions Cr £570k

The introduction of the automated cameras had been delayed, however they have now gone live except for one which should be fully operational from October 2016. Based on the number of contraventions that occurred up until 30th September, additional income of £570k is projected for the year. This figure should increase if compliance is slower than anticipated.

6. Off Street Car Parking £0k

From actual income to September 2016, there is no overall variation projected for Off Street Parking income. There is an expected deficit of £40k for the Hill MSCP and an estimated deficit of £20k from the Civic which is offset by additional projected income of £60k from surface car parks.

Summary of variations within Off Street Car Parking	£'000
Off Street Car Parking income - multi-storey car parks	60
Off Street Car Parking income - other surface car parks	Cr 60
Total variations within Off Street Parking	<u><u>0</u></u>

7. On Street Car Parking Dr £246k

Based on actual income to 30th September there is a projected net deficit of around £220k for On Street Parking. A number of sites have been identified where additional Pay and Display parking bays can be installed borough wide. This includes shopping parades to assist the turnover of parking on street and roads in close proximity to railway stations, where unrestricted parking is currently creating parking issues and displacement. As agreed, if all sites were progressed as proposed, it is likely to generate an approximate £350k per annum. Each proposal has been and will be subject to consultation with Ward Members and the directly affected residents/traders, so full implementation has not been possible by 1st April 2016. Taking into account the income to September 2016, the new spaces operational to date, it is projected that there will be a shortfall of income from in On Street Parking of £220k in 2016/17 with no full year variation from 2017/18 onwards.

Due to the introduction of new £1 coins and £5 polymer notes, all the parking income machines will need to be upgraded at an estimated cost of Dr £78k. This is to be funded from the Equipment replacement budget of £52k. The remaining £26k will be funded by a saving on the Enforcement Equipment budget of £26k shown below. These machines are for both On Street and Off Street parking.

8. Car Parking Enforcement Dr £63k

Based on the activity levels up to September 2016, there is a projected net deficit of £50k from PCNs issued by Indigo Park due to a reduction in contraventions because of staff sickness, leave and training in April 2016. There has been a delay in employing the 4 additional CEOs on street due to difficulties in staff recruitment however these staff are now in post with a part year underspend of £40k. The number will be closely monitored over the next few months.

Due to delays in introducing the automated cameras which were not fully operational until July 2016, a net surplus £16k is projected based on the number of contraventions to 30th September 2016. Automatic cameras have been set up outside schools and since compliance has increased at these locations there is a projected deficit in income £32k. CCTV staff were given notice mid-June 2016 and the projected additional cost of their salaries is £53k. It should be noted that the CCTV staff are also responsible for monitoring the bus lanes prior to the introduction of the re-deployable bus lane cameras. The additional staffing cost of the Mobile car driver is £10k for 2016/17.

In order to meet the costs of upgrading the parking income machines, a saving of £26k from the enforcement equipment budget will be used.

Summary of variations within Car Parking Enforcement	£'000
PCNs issued by wardens	50
CCTV Salaries	53
Mobile driver salary	10
PCNs issued by Static cameras	Cr 16
PCNs issued by automatic cameras at schools	32
Enforcement equipment replacement budget	Cr 26
Budgets not required for additional CEOs etc	Cr 40
Total variations within Car Parking Enforcement	<u>63</u>

9. Permit Parking Cr £10k

Based on income and expenditure to the end of September 2016, it is projected that there will be a net additional income of £10k.

Summary of overall variations within Parking:	£'000
Bus Routes Enforcement	Cr 570
Off Street Car Parking	0
On Street Car Parking	220
On/Off Street Car Parking - upgrade machines for changes in currency	26
Enforcement - Equipment budget	Cr 26
Car Parking Enforcement	89
Permit Parking	Cr 10
Total variation for Parking	<u>Cr 271</u>

10. Traffic and Road Safety £0k

There is a projected underspend of £34k on TfL funded salaries due to vacancies which is offset by a corresponding reduction in capital salary recharges of £34k. Although there is no overall effect on revenue, it will increase the capital funding available for implementation of TfL funded schemes.

11. Highways (Including London Permit Scheme) Dr £34k

Within NRSWA income, there is a projected income deficit of £25k. This is partly the result of improving performance by utility companies in the area of defect notices, which has resulted in lower charges raised by the Council.

There is a projected underachievement of advertising income in 2016/17 of £9k should the contract for the advertising on street columns is not let in early 2017 when the current contract extension comes to an end.

From activity to date there is a projected overspend of £100k on Highways Maintenance which is offset by £20k from an underspend on Salaries due to vacancies.

Summary of Variations - Highways (Including London Permit Scheme)	£'000
NRSWA Income	25
Street Lighting - advertising income	9
Highways Maintenance	20
Street Lighting - salaries	Cr 20
Total Projected variations for NRSWA Income	<u>34</u>

12. Non-controllable Cr £66k

Within property rental income budgets, there is projected surplus income of £66k. 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. Since the last report to the Executive, the following waiver for contract values over £50k has been actioned:

1) £30k continue using framework to provide Highways consultancy, extension of one year; cumulative value £194k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, the following virements have been actioned:

1) Virement of £40k from Parking Off Street income to Highways Maintenance.

2) Virement of £15k from Market charges income and £10k from Street Traders licences income to Tree Maintenance.

Public Protection & Safety Budget Monitoring Summary

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Public Protection							
172	Community Safety	126	126	126	0		0	0
70	Emergency Planning	78	78	78	0		0	0
333	Mortuary & Coroners Service	355	395	395	0	1	0	0
1,464	Public Protection	1,389	1,329	1,309	Cr 20	2	0	0
2,039	TOTAL CONTROLLABLE	1,948	1,928	1,908	Cr 20		0	0
426	TOTAL NON CONTROLLABLE	6	6	6	0		0	0
29	TOTAL EXCLUDED RECHARGES	159	159	159	Cr 0		0	0
2,494	PORTFOLIO TOTAL	2,113	2,093	2,073	Cr 20		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2016/17

2,113

Community Safety DCLG Grant year 2

Cr 61

Community Safety DCLG Grant year 2 expenditure

61

Contribution towards monitoring of the Domestic Abuse contracts

Cr 20

Latest Approved Budget for 2016/17

2,093

REASONS FOR VARIATIONS

1. Mortuary and Coroners Service £0k

There is a projected overspend for the Coroners service due to a one-off contribution towards the cost of building works for new offices in Croydon. This is offset by an underspend on the Mortuary contract as the projected annual cost is below the original budget.

2. Public Protection Cr £20k

Salaries are projected to be underspent by £10k due to vacancies.

The number of dogs being kept in kennels and associated medical costs have been lower than in previous years. As a result of this and also the changes to the kennelling charges through the award of a new contract, there is a projected underspend of £20k for 2016/17, partly offset by other variations £10k.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, no waivers have been actioned:

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, the following virements have been actioned:

- 1) A virement of £40k from Stray Dogs to Coroners Service.
- 2) A virement of £20k as a contribution towards the monitoring of the Domestic Abuse contract within the Resources Portfolio funded from car allowances £10k and stray dogs £10k.

Renewal and Recreation Budget Monitoring Summary

2015/16 Actuals £'000	Division Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
	Planning							
Cr 19	Building Control	69	69	19	Cr 50	1	Cr 50	0
Cr 168	Land Charges	Cr 131	Cr 131	Cr 140	Cr 9	2	0	0
589	Planning	671	636	666	30	3	0	0
1,568	Renewal	1,888	1,927	1,927	0		0	0
1,970		2,497	2,501	2,472	Cr 29		Cr 50	0
	Recreation							
2,192	Culture	1,710	1,698	1,698	0		0	0
4,610	Libraries	4,495	4,745	4,745	0	4	250	0
263	Town Centre Management & Business Support	251	293	293	0		0	0
7,065		6,456	6,736	6,736	0		250	0
9,035	Total Controllable R&R Portfolio	8,953	9,237	9,208	Cr 29		200	0
Cr 13,572	TOTAL NON CONTROLLABLE	2,353	2,353	2,354	1		0	0
2,281	TOTAL EXCLUDED RECHARGES	1,958	2,177	2,177	0		0	0
Cr 2,256	PORTFOLIO TOTAL	13,264	13,767	13,739	Cr 28		200	0

Reconciliation of Latest Approved Budget

£'000

Original budget 2016/17

13,264

Local Implementation Plan	47
Biggin Hill Memorial Museum	47
Biggin Hill Noise Action Plan	55
New Home Bonus expenditure for Regeneration	182
New Home Bonus expenditure for TCM	42
Transfer Renewal budget to Commissioning	Cr 62
Salary from Culture to Commissioning	Cr 58
Drawdown from Central Contingency (Libraries saving)	250
Latest Approved Budget for 2016/17	13,767

REASONS FOR VARIATIONS

1. Building Control Cr £50k

For the chargeable service, an income deficit of £175k is anticipated based on information to date. This is being offset by a projected underspend within salaries of £150k arising from reduced hours and vacancies, as well as running costs. The projected deficit of £25k will reduce the cumulative surplus on the Building Control Charging Account to £105k.

Within the non-chargeable service, as a result of delays in appointing to vacant posts, there is a projected underspend of £50k.

2. Land Charges Cr £9k

A projected deficit of £50k for income, is mostly offset by underspends on the Charging Account £35k due to vacancies and underspends on Supplies and Services £10k. The net deficit of £5k will be carried forward as the cumulative balance in the Charging Account.

There is a projected underspend of £9k on the Non-Chargeable budget due to vacant posts.

3. Planning Dr £30k

Income from non-major planning applications is above budget for the first six months of the year, and a surplus of £130k is projected for 2016/17. For information, actual income received for April to September is £50k higher than that received for the same period last year.

For major applications, £165k has been received as at 30th September, which is £21k lower than compared with the same period in 2015/16. Planning officers within the majors team have provided a schedule of additional potential income that may be received in the coming months of approximately £537k. A surplus of £20k is projected from major applications at this stage of the year, allowing for delays and other items not being received.

Currently there is projected surplus income of £50k from pre-application meetings due to higher than budgeted activity levels. For information, £97k has been received for the first six months of the year, which is similar to the same period in 2015/16.

There is a projected overspend within employee-related costs of £120k for planning officer and £30k for planning enforcement staff. This is due to the recruitment of additional temporary staff in order to assist with the current increase in volumes of planning applications and enforcement.

Additional costs have been incurred for specialist consultancy advice on planning applications for agriculture and ecology matters, as well as for planning appeals. This is projected to be approximately £110k for the year due to major appeals for Conquest House and Flamingo Park of which most of the work will be carried out by March 2017. This is partly offset by a surplus of £25k projected for other miscellaneous income within Planning.

Summary of variations within Planning:

	£'000
Surplus income from non-major applications	Cr 130
Surplus income from major applications	Cr 20
Surplus pre-application income	Cr 50
Surplus from miscellaneous income	Cr 25
Additional temporary planning staff	115
Additional temporary planning enforcement staff	30
Consultants costs	110
Total variation for planning	<u><u>30</u></u>

4. Libraries £0k

In January 2016, officers reported that the savings previously projected for 2016/17 were unlikely to be achieved in this financial year as a result of the business model submitted by the tenderer, and the timetable and potential lead in time requested by the tenderer for contract mobilisation. On 18th October 2016, Executive agreed a drawdown of £250k from Central Contingency as the assumed savings will not be achieved in 2016/17.

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 with a contract value over £50k have been actioned:

- 1) £20,050 consultancy cost for the Exhibition capital scheme; cumulative value £58,960.
- 2) £42,000 for supplying and maintaining data connections to libraries; cumulative value £168,000.
- 3) £14,760 for Cleaning services for libraries; cumulative value £220,520.
- 4) £23,100 Guard cover to maintain security and out of hours alarms at all libraries; cumulative value £127,050.
- 5) £8,250 for support and maintenance of RFID automated sorters at 3 libraries; cumulative value £68,240.

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

2015/16 Actual £'000		2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
	Financial Services & Procurement							
200	Director of Finance & Other	207	457	456	Cr 1		0	0
6,339	Exchequer - Revenue & Benefits	6,729	6,729	6,811	82	1	Cr 40	0
1,500	Exchequer - Payments & Income	1,560	1,560	1,543	Cr 17	2	Cr 11	0
602	Financial Accounting	588	640	632	Cr 8	3	0	0
1,387	Management Accounting	1,520	1,508	1,468	Cr 40	4	Cr 30	0
733	Audit	664	664	626	Cr 38	5	0	0
10,761	Total Financial Services Division	11,268	11,558	11,536	Cr 22		Cr 81	0
	CORPORATE SERVICES DIVISION							
4,453	Information Systems & Telephony	4,369	4,409	4,385	Cr 24	6	Cr 20	0
1,027	Customer Services (inc. Bromley Knowledge)	1,007	1,078	1,094	16	7	36	16
	Legal Services & Democracy							
323	Electoral	319	319	330	11	8	0	0
1,371	Democratic Services	1,397	1,397	1,381	Cr 16	9	0	0
Cr 104	Registration of Births, Deaths & Marriages	Cr 95	Cr 95	Cr 96	Cr 1		0	0
1,564	Legal Services	1,602	1,672	1,687	15	10	Cr 27	0
242	Learning and Development	308	308	308	0		0	0
1,972	Strategic and Business Support Service	2,279	2,030	2,030	0		0	0
168	Management and Other (Corporate Services)	152	152	171	19	11	20	0
11,016	Total Corporate Services Division	11,338	11,270	11,290	20		9	16
	HR DIVISION							
1,501	Human Resources	1,550	1,639	1,639	0		0	0
1,501	Total HR Division	1,550	1,639	1,639	0		0	0
	COMMISSIONING AND PROCUREMENT DIVISION							
616	Procurement and Data Management	462	996	1,002	6		0	0
	Commissioning	0	1,245	1,239	Cr 6		0	0
0	Debt Management System	0	0	0	0		0	0
616	Total Commissioning and Procurement Division	462	2,241	2,241	0		0	0
	CHIEF EXECUTIVE'S DIVISION							
205	Comms	177	124	141	17	12	0	0
710	Management and Other (C. Exec)	538	713	798	85	13	0	44
122	Mayoral	131	131	163	32	14	0	15
1,037	Total Chief Executive's Division	846	968	1,102	134		0	59
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
203	Investment & Non-Operational Property	181	211	191	Cr 20	15	Cr 11	0
1,001	Strategic & Operational Property Services	1,032	1,262	1,203	Cr 59	16	0	Cr 210
Cr 7,456	Investment Income	Cr 9,542	Cr 9,542	Cr 8,976	566	17	Cr 118	0
Cr 824	Other Rental Income - Other Portfolios	Cr 811	Cr 811	Cr 790	21	18	89	0
2,018	Repairs & Maintenance (All LBB)	1,929	2,230	2,230	0		0	0
1,554	Admin. Buildings	1,584	1,543	1,563	20	19	0	0
448	Facilities & Support	365	365	395	30	20	0	0
Cr 3,056	Total Environment & Community Services Dept	Cr 5,262	Cr 4,742	Cr 4,184	558		Cr 40	Cr 210
21,875	Total Controllable Departmental Budgets	20,202	22,934	23,624	690		Cr 112	Cr 135
	CENTRAL ITEMS							
7,526	CDC & Non Distributed Costs (Past Deficit etc.)	7,579	7,579	7,579	0		0	0
10,994	Concessionary Fares	11,618	11,618	11,618	0		0	0
40,395	Total Controllable	39,399	42,131	42,821	690		Cr 112	Cr 135

2015/16 Actual £'000	Financial Summary	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
Cr 781	Total Non Controllable	962	962	962	0		0	0
Cr 18,472	Total Excluded Recharges	Cr 19,371	Cr 20,832	Cr 20,832	0		0	0
Cr 1,439	Less: R&M allocated across other Portfolios	Cr 1,529	Cr 1,664	Cr 1,664	0		0	0
824	Less: Rent allocated across other Portfolios	811	811	790	Cr 21		Cr 89	0
20,527	TOTAL CHIEF EXECUTIVE'S DEPARTMENT	20,272	21,408	22,077	669		Cr 201	Cr 135
20,527	TOTAL RESOURCES PORTFOLIO	20,272	21,408	22,077	669		Cr 201	Cr 135
	Memorandum Item							
	Sold Services							
42	Facilities (Caretaking) Schools Trading Account	6	24	45	21		0	0
Cr 9	Reactive Maintenance Schools Trading Account	Cr 12	5	Cr 2	Cr 7		0	0
33	Total Sold Services	Cr 6	29	43	14		0	0

Reconciliation of Final Budget	£'000
Original budget 2016/17	20,272
Carry forward requests:	
IT BT Transition Costs	77
IT upgrade at Anerley Business Centre	30
Transparency Agenda	14
Residential Property Acquisitions (SPV) - Advice	291
Repairs and Maintenance	166
Debt Management System - grant related expenditure	177
Debt Management System - grant related income	Cr 177
Electoral IER - grant related expenditure	73
Electoral IER - grant related income	Cr 73
Contract Register/Summaries Database	50
Staff Merit Awards	89
Inflation adjustment	30
Transfer of Renewal budget from R&R	62
Transfer of Salary budget from Culture	58
Transfer of salary budget from PPS	20
Adjustment for loss of income from Academy transfers	216
Adjustment for legal employment work	33
Latest Approved Budget for 2016/17	21,408

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

1. Exchequer - Revenues and Benefits Dr £82k

There has been a one-off purchase of Capital Connect software costing £230k. This has been partly offset by an underspend on IT licences of £40k

There is a projected underspend of £80k within salaries and running costs mainly due to a number of vacant posts.

Contract payments to be made to Liberata are expected to be below budget by Cr £28k.

Summary of variations within Exchequer - Revenues & Benefits	£000
Capital Connect software	230
IT Licences	Cr 40
Staffing vacancies & running costs	Cr 80
Liberata contract payments	Cr 28
Total Variation	82

2. Exchequer - Payments & Income Cr £17k

Staff vacancies have resulted in a projected underspend of £26k offset by an overspend of £9k across miscellaneous budgets.

3. Financial Accounting Cr £8k

This variance is mainly due to vacancies arising during the year.

4. Management Accounting Cr £40k

Vacancies within the Management Accounting teams have resulted in a forecast underspend of £33k. Additional underspends of £7k are forecast within supplies and services budgets.

5. Audit Cr £38k

A reduction in the external audit fee for 2015/16 has resulted in an underspend of £38k.

CORPORATE SERVICES DIVISION

6. ISD Cr £24k

An underspend of £24k is forecast due to a vacancies within the ISD team.

7. Customer Services Dr £16k

There is a projected overspend of £16k as a result of the annual portal maintenance costs. Managers are working to identify alternative savings to balance the budget.

8. Electoral Services Dr £11k

Additional overtime costs incurred for the EU referendum have resulted in a forecast overspend of £11k

9. Democratic Services Cr £16k

An underspend of £16k is projected for members allowances.

10. Legal Services Dr £15k

This variation is due to a combination of lower than anticipated charges to capital schemes of £9k and additional agency costs to cover for maternity leave of £6k.

EARLY WARNING

The number of child care cases issued this financial year has already exceeded the number issued for the whole of the previous two years and whilst every effort is being made to contain the additional work within budget, given the additional court days required if work continues at the present level this will create a pressure on the budget for Counsel's fees.

11. Management and Other (Corporate Services) Dr £19k

This variation relates to a saving built into the 2015-16 budget that has still be to identified. Officers are currently reviewing budgets across Corporate Services in order to identify alternative savings to ensure a balanced budget in future years.

CHIEF EXECUTIVES DIVISION

12. Comms Dr £17k

Severance payments arising from the deletion of a post have resulted in an overspend of £17k.

13. Management and other (Chief Executive) Dr £85k

Management savings of £304k were built into the budget. To date savings of £219k have been achieved leaving a balance of £85k. The full year effect savings total £260k. Alternative savings will be identified in order to balance the budget in the current and future years.

14. Mayoral Dr £32k

Overspends on overtime and running expenses of £17k are projected due to an increase in the number of engagements and events. The savings target of £15k has also not been achieved, resulting in a projected overspend of £32k.

ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT

15. Investment and Non-Operational Property Cr £20k

A delay to the transfer of Anerley Business Centre to the Crystal Palace Community Development Trust (CPCDT) has resulted in additional costs of £51k being incurred. This is more than offset by additional income from tenancies in the building- see below.

The Surplus Property budget is projected to overspend by £31k as costs are being incurred for a number of properties waiting to be sold. This is more than offset by a saving on premises costs for Exchequer House of £78k, mainly from business rates. The sale of this building is expected to complete this financial year.

Other minor variations total £24k.

Summary of variations within Investment & Non- Operational Property	£000
Delay in transfer of Anerley Business Centre	51
Surplus Properties	31
Exchequer House	Cr 78
Other net variations	Cr 24
Total Variation	Cr 20

16. Strategic & Operational Property Cr £59k

There are estimated part year savings of £95k as a result of the Total Facilities Management contract and a net underspend of £22k within staffing due to part year vacancies. This is offset by a projected shortfall of income from the Walnuts Boiler Plant of £37k and other minor variations across the service totalling £21k.

Summary of variations within Strategic & Operational Property	£000
Part years savings of the TFM contract	Cr 95
Staffing	Cr 22
Walnuts Boiler Plant	37
Other net variations	21
Total Variation	Cr 59

17. Investment Income Dr £566k

A shortfall of £566k is projected for investment income which takes into consideration the following issues:

- A shortfall of income on Investment Fund properties of £936k.
- A deficit of £50k is projected for the rent share from INTU (The Glades Shopping Centre). Accounts are supplied by INTU quarterly in arrears and this projection is based on information to 14th July. It is difficult to provide a precise forecast as LBB income is determined by the rental income from the shops and the level of contribution to any minor works. The budget for the Glades is £2.03m
- Additional income of £68k is expected for Yeoman House from the NHS CCG with regards to the Section 75 agreement and £69k for Anerley Business Centre for the remaining tenancies due to the delay in transferring the lease to CPCDT. It should be noted that the income for Yeoman House is not expected to continue beyond 2016/17.
- Extra income on Investment properties of £159k is projected due to a higher level of occupancy this financial year and there are further variations of £124k due to rent reviews and new tenancies.

Summary of variations within Investment Income	£000
Income from Investment property	936
Rent share from Intu	50
Yeoman House	Cr 68
Income from tenancies at Anerley Business Centre	Cr 69
Income from other investment properties	Cr 159
Variations in income due to rent reviews and new tenancies	Cr 124
Total Variation	<u>566</u>

18. Other Rental Income - Other Portfolios Dr £21k

There is a shortfall of income of £89k relating to Banbury House as it is currently vacant, pending a sale going through. This is partly offset by additional income from the Depots of £39k and other miscellaneous variations that total £29k.

19. Admin Buildings Dr £20k

A reduction in the income of £20k from staff car parking is projected due to a reduction in the number of staff paying for parking spaces at the Civic Centre.

20. Facilities and Support Dr £30k

Only part year savings of £46k were achieved from a reduction in staffing, as consultation began in March/April and costs were incurred in 2016/17 for pay in lieu of notice. The full year savings of £76k will be achieved in 2017/18.

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:

Delivery of Signs and Safety Training - contract value £76,450.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive the following virement has been actioned.

£37k virement from ISD to Legal to meet the extra costs for contract advice related to recent commissioning work.

Allocation of Contingency Provision for 2016/17

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	
	£	£	£	£	£	£
Renewal and Recreation						
Planning Appeals - change in legislation	60,000			60,000	60,000	0
General						
Provision for unallocated inflation	1,668,000	30,000	33,000	1,605,000	1,668,000	0
Impact of Chancellor's Summer Budget 2015 on future costs	4,250,000	503,000		3,747,000	4,250,000	(1) 0
Increase in Cost of Homelessness/Impact of Welfare Reforms	2,983,000		760,000	223,000	983,000	Cr 2,000,000
General provision for risk/uncertainty	2,193,000	950,000		693,000	1,643,000	(4) Cr 550,000
Provision for risk/uncertainty relating to volume and cost pressures	2,182,000			1,091,000	1,091,000	Cr 1,091,000
Impact of conversion of schools to academies	1,137,000	216,000		921,000	1,137,000	(2) 0
Retained Welfare Fund	450,000			450,000	450,000	0
Deprivation of Liberty	184,000		66,000	118,000	184,000	0
Growth for Waste Services	267,000			267,000	267,000	0
Grants to Voluntary Organisations - pump priming funding	275,000			275,000	275,000	0
Other Provisions	293,000			293,000	293,000	0
Acquisition of residential properties	Cr 457,000			Cr 457,000	Cr 457,000	0
HR/Finance impact of academy conversions	Cr 69,000			Cr 69,000	Cr 69,000	0
Care Act provision for additional costs	750,000			750,000	750,000	0
Care Act Funding	Cr 750,000	Cr 750,000		0	Cr 750,000	(1) 0
Community Libraries savings 2016/17 not achieved		250,000		0	250,000	(5) 250,000
	15,416,000	1,199,000	859,000	9,967,000	12,025,000	Cr 3,391,000
Grants included within Central Contingency Sum						
SEND Implementation Grant (New Burdens)						
Grant related expenditure	201,000	180,000		21,000	201,000	(2) 0
Grant related income	Cr 201,000	Cr 180,000		Cr 21,000	Cr 201,000	0
Tackling Troubled Families Grant						
Grant related expenditure	426,000			426,000	426,000	0
Grant related income	Cr 426,000			Cr 426,000	Cr 426,000	0
Lead Local Flood Authorities						
Grant related expenditure	213,000	213,000		0	213,000	(3) 0
London SEND Regional Lead Grant						
- expenditure		27,522		0	27,522	(5) 27,522
- income		Cr 27,522		0	Cr 27,522	Cr 27,522
Total Grants	213,000	213,000	0	0	213,000	0
TOTAL CARRIED FORWARD	15,629,000	1,412,000	859,000	9,967,000	12,238,000	Cr 3,391,000

Notes:

- (1) Executive 13th January 2016
- (2) Executive 23rd March 2016
- (3) Executive 15th June 2016
- (4) Executive 20th July 2016
- (5) Executive 18th October 2016

Allocation of Contingency Provision for 2016/17 (continued)

Item	Carried Forward from 2015/16	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year	
	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	15,629,000	1,412,000	859,000	9,967,000	12,238,000	Cr 3,391,000
Items Carried Forward from 2015/16						
Care Services						
Social Care Funding via the CCG under S256 agreements						
Adult Social Care Invest to Save Schemes						
- expenditure	48,170	48,170		0	48,170	(2) 0
- income	Cr 48,170	Cr 48,170		0	Cr 48,170	0
Integration Funding - Better Care Fund						
- expenditure	300,000	300,000		0	300,000	(2) 0
- income	Cr 300,000	Cr 300,000		0	Cr 300,000	0
Better Care Fund						
- expenditure	381,360	381,360		0	381,360	(2) 0
- income	Cr 381,360	Cr 381,360		0	Cr 381,360	0
Winter Resilience Funding 2014/15 (Bromley CCG)						
- expenditure	351,480			351,480	351,480	0
- income	Cr 351,480			Cr 351,480	Cr 351,480	0
Winter Resilience Funding 2015/16 (Bromley CCG)						
- expenditure	116,750			116,750	116,750	0
- income	Cr 116,750			Cr 116,750	Cr 116,750	0
Helping People Home						
- expenditure	40,000			40,000	40,000	0
- income	Cr 40,000			Cr 40,000	Cr 40,000	0
DCLG Preventing Homelessness Grant						
- expenditure	200,000		200,000	0	200,000	(7) 0
- income	Cr 200,000		Cr 200,000	0	Cr 200,000	0
Adoption Reform						
- expenditure	132,323	132,323			132,323	(2) 0
- income	Cr 132,323	Cr 132,323			Cr 132,323	0
Tackling Troubled Families						
- expenditure	1,172,184		748,000	424,184	1,172,184	(8) 0
- income	Cr 1,172,184		Cr 748,000	Cr 424,184	Cr 1,172,184	0
Step Up to Social Work						
- expenditure	72,159			72,159	72,159	0
- income	Cr 72,159			Cr 72,159	Cr 72,159	0
Public Health						
- expenditure	292,700			292,700	292,700	0
- income	Cr 292,700			Cr 292,700	Cr 292,700	0
Implementing Welfare Reform Changes						
- expenditure	56,640		56,640	0	56,640	(7) 0
- income	Cr 56,640		Cr 56,640	0	Cr 56,640	0
Renewal & Recreation Portfolio						
New Homes Bonus - Town Centre Management						
- expenditure	41,687	41,687		0	41,687	(3) 0
- income	Cr 41,687	Cr 41,687		0	Cr 41,687	0
New Homes Bonus - Regeneration						
- expenditure	181,571	181,571			181,571	(3) 0
- income	Cr 181,571	Cr 181,571			Cr 181,571	0
Resources Portfolio						
Individual Electoral Registration						
- expenditure	72,609	72,609		0	72,609	(6) 0
- income	Cr 72,609	Cr 72,609		0	Cr 72,609	0
New Debt Management System						
- expenditure	177,000	177,000		0	177,000	(6) 0
- income	Cr 177,000	Cr 177,000		0	Cr 177,000	0
Education						
SEN Reform/Implementation Grant						
- expenditure	28,476	28,476		0	28,476	(1) 0
- income	Cr 28,476	Cr 28,476		0	Cr 28,476	0
SEN Reform/Implementation Grant						
- expenditure	80,000			80,000	80,000	0
- income	Cr 80,000			Cr 80,000	Cr 80,000	0

Item	Carried Forward from 2015/16	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	
	£	£	£	£	£	£
London SEND Regional Lead Grant						
- expenditure	15,000			15,000	15,000	0
- income	Cr 15,000			Cr 15,000	Cr 15,000	0
Early Years Grant						
- expenditure	14,800			14,800	14,800	0
- income	Cr 14,800			Cr 14,800	Cr 14,800	0
Public Protection & Safety						
Domestic Abuse						
- expenditure	60,610	60,610		0	60,610	(4)
- income	Cr 60,610	Cr 60,610		0	Cr 60,610	0
Environment Portfolio						
Drainage/Lead Flood Grant						
- expenditure	69,482	69,482		0	69,482	(5)
- income	Cr 69,482	Cr 69,482		0	Cr 69,482	0
WEEE Grant						
- expenditure	13,090	13,090		0	13,090	(5)
- income	Cr 13,090	Cr 13,090		0	Cr 13,090	0
General						
YOS Service Strategy Review	97,000		97,000	0	97,000	0
Consultancy Support (Place Planning & Schools)	40,000			40,000	40,000	0
Parking - Automated Cameras - Bus Lanes	180,000	180,000		0	180,000	(5)
Parking - Automated Cameras - Non Bus Lanes	126,000	126,000		0	126,000	(5)
Local Plan Implementation	47,322	47,322		0	47,322	(3)
Biggin Hill Airport - Noise Action Plan	54,870	54,870		0	54,870	(3)
Biggin Hill Memorial Museum	47,400	47,400		0	47,400	(3)
IT - BT Transition Costs	77,000	77,000		0	77,000	(6)
IT upgrade at Anerley Business Centre	30,000	30,000		0	30,000	(6)
Transparency Agenda	14,000	14,000		0	14,000	(6)
Staff Merit Awards	89,170	89,170		0	89,170	(6)
Residential Property Acquisitions (SPV) - Advice	291,000	291,000		0	291,000	(6)
Civic Centre Development Strategy	257,500			257,500	257,500	0
Contracts Register/Summaries Database	50,000	50,000		0	50,000	(6)
	1,401,262	1,006,762	97,000	297,500	1,401,262	0
Total Carried Forward from 2015/16	1,401,262	1,006,762	97,000	297,500	1,401,262	0
GRAND TOTAL	17,030,262	2,418,762	956,000	10,264,500	13,639,262	Cr 3,391,000

Notes:

- (1) Executive 23rd March 2016
- (2) Care Services PDS Committee 28th June 2016
- (3) Renewal & Recreation PDS 5th July 2016
- (4) Public Protection & Safety PDS 29th June 2016
- (5) Environment PDS 7th June 2016
- (6) Executive & Resources PDS 7th July 2016
- (7) Care Services PDS Committee 15th November 2016
- (8) Care Services PDS Committee 15th November 2016 (£138k) / £610k subject to Executive Approval

Description	2016/17 Latest Approved Budget £'000	Variation To 2016/17 Budget £'000	Potential Impact in 2017/18
Education Services Grant	Cr 1,728	471	The Education Services Grant (ESG) is allocated on the basis of pupil numbers, and the grant reduces in-year as schools convert to academies. The full year effect of the 10 conversions estimated to occur during 2016/17 is £552k, and will be included in the financial forecast for the 2017/18 budget. It is assumed this will be drawn down from contingency in due course.
Housing Needs - Temporary Accommodation	7,114	75	The full year effect of the projected overspend is currently anticipated to be a pressure of £81k in 2017/18. However, this only takes account of projected activity to the end of the financial year and does not include any projected further growth in numbers beyond that point. This cost expected to be covered by a contingency bid during 2017/18.
Assessment and Care Management - Care Placements	18,716	865	The full year impact of the current overspend is estimated at Dr £904k, mainly in relation to domiciliary care packages.
Learning Disabilities - Care Placements and Care Management	30,400	944	The full year effect is estimated at an overspend of £813k which is slightly lower than the current year's overspend. This is because savings achieved during 2016/17 will have only a part year effect in the current financial year, with the full benefit not being realised until 2017/18. This figure is likely to vary as the year progresses and assumptions are replaced with actual activity.
Mental Health - Care Placements	5,881	305	The current full year overspend on Mental Health is estimated to be £444k. Currently we are seeing an increased demand for services which will have a full year impact in 2017/18.
Supporting People	1,051	76	There is anticipated to be an underspend of £72k in a full year. This is a result of estimated savings arising from tendering activity in 2016/17.
Children's Social Care	27,444	3,915	The current full year effect impact for CSC is estimated at £2,593k. This can be analysed as Dr £1,441k on placements, Cr £38k for no recourse to public funds clients, Dr £263k on leaving care clients and Dr £927k on Care Proceedings (Public Law Outline).
Customer Services	1,078	16	There is a projected overspend of Dr £16k as a result of unachieved savings targets. Managers are working to identify alternative budgets to mitigate this.
Chief Executive - Management and Other	713	85	The staff savings identified as part of the Chief Executive's savings target will in part not be achieved as a direct consequence of the outgoing postholder remaining in the Council's employ in the early part of this financial year. The ongoing savings target of £44k will be addressed over the next month in preparation for the 17/18 budget.
Investment income	Cr 9,542	566	Although a deficit of £566k is projected for rental income from Investment properties funded by the Investment fund, there are a number of potential acquisitions that are currently being considered and it is anticipated that this budget will be balanced in future years.

SECTION 106 RECEIPTS

Section 106 receipts are monies paid to the Council by developers as a result of the grant of planning permission where works are required to be carried out or new facilities provided as a result of that permission (e.g. provision of affordable housing, healthcare facilities & secondary school places). The sums are restricted to being spent only in accordance with the agreement concluded with the developer.

The major balances of Section 106 receipts held by the Council are as follows:

31 March 2016 £000 Restated Revenue	Service	Income £000	Expenditure £000	Transfers to/(from) Capital £000	Actual as at 31 Aug 2016 £000
					Revenue
374	Highway Improvement Works	127	-	-	501
45	Road Safety Schemes	-	-	-	45
151	Local Economy & Town Centres	-	-	Cr 106	45
76	Parking	3	3	-	76
1,143	Healthcare Services	73	128	-	1,088
10	Community Facilities (to be transferred to capital)	-	-	-	10
310	Other	-	-	-	310
2,109		203	131	Cr 106	2,075
	Capital				Capital
2,801	Education	259	-	-	3,060
5,181	Housing	233	317	-	5,097
-	Local Economy & Town Centres	-	-	106	106
81	Highway Improvement Works	1	-	-	82
8,063		493	317	106	8,345
10,172		696	448	-	10,420