
Decision Maker: EXECUTIVE COUNCIL

Date: 22nd March 2017
10th April 2017

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 third budget monitoring position for 2016/17 based on expenditure and activity levels up to the end of December 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 £3.7m is forecast based on information as at December 2016;
- (c) consider the comments from the Deputy Chief Executive and Executive Director of Education, Care and Health Services 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 £5.0m in the Central Contingency as detailed in section 3.4;
- (e) note a projected increase to the General Fund balance of £224k as detailed in section 3.7;
- (f) agree the release of £786k from the Central contingency as detailed in para 3.4.3;

- (g) agree that £257k held in the central contingency for the Civic Centre Development Strategy be transferred to an earmarked reserve as detailed in section 3.4.4;**
- (h) note the carry forwards being requested for drawdown from the Central Contingency totalling £40k (net) as detailed in section 3.5;**
- (i) note the Prior Year Adjustments of £185k as detailed in section 3.6;**
- (j) recommend to Council the transfer of £4.0m to the Growth Fund as detailed in section 3.12;**
- (k) note the full year costs pressures of £5.2m as detailed in section 3.8;**
- (l) 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 £3,692k on portfolio budgets and Cr £5,618k 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 Original Budget £'000	2016/17 Latest Budget £'000	2016/17 Projected Outturn £'000	2016/17 Variation £'000
Care Services	95,135	95,853	100,510	4,657
Education	5,245	5,678	5,753	75
Environment	31,203	31,615	30,793	Cr 822
Public Protection & Safety	1,948	1,899	1,908	9
Renewal & Recreation	8,953	9,237	8,884	Cr 353
Resources	36,812	39,843	39,969	126
Total Controllable Budgets	179,296	184,125	187,817	3,692
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	194,874	198,566	3,692
Contingency Provision	15,629	7,503	2,500	Cr 5,003
Interest on General Fund Balances	Cr 3,491	Cr 3,491	Cr 3,941	Cr 450
Other Central Items	5,563	10,770	10,850	80
Prior Year Adjustments	0	0	Cr 185	Cr 185
General Government Grants & Retained Business Rates	Cr 67,151	Cr 67,359	Cr 67,419	Cr 60
Collection Fund Surplus	Cr 4,912	Cr 4,912	Cr 4,912	0
Total Central Items	Cr 54,362	Cr 57,489	Cr 63,107	Cr 5,618
Total Variation	135,683	137,385	135,459	Cr 1,926

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 Deputy Chief Executive and Executive Director of Education, Care and Health Services

Care Services Portfolio

3.2.1 The Care Services Portfolio is currently estimated to overspend by £4,657k in 2016/17 which is a reduction of over £1.2m since the last report to Executive. The full year effect for 2017/18 stands at of £4,555k.

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 although the overspend has reduced since the last report. Management actions continue to be put in place to reduce expenditure without compromising child safety.

Education Portfolio

- 3.2.8 SEN transport is the main cost pressure area. A thorough review of the budget and reasons for the overspend is 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.
- 3.2.9 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. Government have acknowledged that this is a pressure area for Councils and have awarded Bromley a grant of £140k to carry out this strategic review.

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 £352k 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. £1.408m has been generated to date and a shortfall of £777k is projected for 2016/17. This deficit is partly offset by additional income generated from rent reviews, new tenancies and other investment properties totalling £274k.

There is also an underspend within repairs and maintenance of £113k which relates to the central depot wall reconstruction that will now be carried out during 2017/18 and a request to carry forward this sum will be submitted. Other variations across the service total Cr £38k.

- 3.3.2 On 1st November 2016 Executive agreed to purchase a further two properties. The Walnuts property purchase was completed in December which will provide annual rental income of £351k. Should the purchase of the remaining property complete, it would provide additional annual income of £546k which would enable the 2017/18 budget target of £2.3m to be met.

Environment Portfolio

- 3.3.3 The Environment Portfolio has a net underspend of £822k for 2016/17. This is mainly from two areas - Waste (£498k) and Parking (£332k). Other net variances across the Portfolio total Dr £8k.
- 3.3.4 The variances in waste are for defaults, waste disposal costs, green garden waste service and paper income. Waste tonnages are unpredictable and therefore the variances may not continue in future years.
- 3.3.5 The net variances in parking are mainly due to an increase in enforcement contraventions offset by a shortfall of income for off and on street parking. The rate of offending is beginning to reduce and so with a higher level of compliance, the current level is unlikely to be maintained in future years.

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 Members are requested to note that on 23rd December 2016 the Council was notified of a grant allocation of £31k for the Community Housing Fund. This has been allocated to the Care Services Portfolio.
- 3.4.3 Executive are requested to agree to the release of £786k from the Central Contingency into the Care Services Portfolio as set out below:

(i) **National Living Wage - £686k**

Previous reports to the Executive in June and July 2016 detail the impact of the National Living wage on Domiciliary care/Direct Payments and Nursing Home contracts. The National Living Wage rose from £6.70 to £7.20 from the 1st April 2016 and has had a large impact on the cost of providing some social care services. The financial impact has been calculated at £686k for the 2016/17 financial year for these areas. The 2017/18 draft budget has been updated to reflect the estimated impact, including provision for further costs held in the central contingency.

(ii) **Retained Welfare Fund - £100k**

The Retained Welfare Fund relates to the provision of move-on items: essential living items for setting up a home such as beds and white goods. There have been a number of reports to Members concerning the Fund. In July 2014, the Resources Portfolio Holder approved the adoption of a 'white goods and furniture' welfare scheme from 2015/16. The scheme replaced the Bromley Welfare Fund following the Government's decision to withdraw ongoing programme funding.

Members agreed that the new scheme would be restricted in terms of both eligibility criteria and goods available which have been identified as the minimum items required in order for the Council to meet its duty to provide suitable settled accommodation for homeless households. The request to drawdown this funding is to meet the cost of goods purchased through the framework contract in line with the agreed policy during 2016/17.

- 3.4.4 On 17th September 2015 Executive agreed to set aside funding of £57.5k for additional consultancy services for the development of the Civic Centre site. On 18th May 2016 Executive agreed to allocate a further £200k to meet the costs of document management and the total sum of £257.5k was included within the approved carry forwards into 2016/17. Following consideration by Executive and Resources PDS Committee on 4th January 2017, the Resources Portfolio Holder agreed the drawdown of funding for the document management work stream. However, as it is expected that this work will be carried out over the next few years, it is requested that the total funding of £257.5k be transferred to an earmarked reserve to allow drawdown as and when the work is undertaken and expenditure is incurred.
- 3.4.5 The Contingency includes a number of variations relating to grant funded expenditure and income which may be included in the carry forward requests to be considered as part of the 2016/17 provisional final accounts report.
- 3.4.6 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.
- 3.4.7 Based on the latest financial position, there is a forecast net variation of Cr £5.0m following a review of the remaining contingency provisions, an estimate of likely further drawdown requirements for the remainder of the year and a contribution to the growth fund, as set out in section 3.12. The position will continue to be closely monitored and the utilisation of any further variations in the central contingency will be considered 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 £798k has been approved for draw down with a further £40k (net) being 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.

Education Budget Sub-Committee 15th March 2017	£'000
SEN Reform / Implementation	80
London SEND Regional Lead	15
Consultancy Support (Place Planning & Schools)	40
Total Expenditure	135
Grant Income	(95)
Net Expenditure	40

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.
- 3.6.2 Following the transfer of ICT support from Capita to BT on 1st April 2016, the final payment for the Capita core contract has been agreed which was less than originally estimated. The balance of the accrual totalling Cr £116k is therefore no longer required.

3.7 General Fund Balances

- 3.7.1 The level of general reserves is currently projected to increase by £0.2m to £20.2m 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)	Cr 1,926
Adjustments to Balances:	
Carry Forwards (funded from underspends in 2015/16)	1,702
General Fund Balance as at 31st March 2017	Cr 20,224

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	19,417	1,519
Learning Disabilities - Care Placements and Care Management	30,405	514
Mental Health - Care Placements	5,881	168
Children's Social Care	27,361	2,280
SEN Transport	3,510	755
		5,236

- 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 £450k 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 December 2016 is included in Appendix 5. Further details on the arrangements for utilising Section 106 monies were provided in the “Capital Programme Monitoring Q3 & Annual Capital Review 2017 to 2021” report to Executive on 8th February 2017 and “Section 106 Agreements: Update” report to Executive and Resources PDS Committee on 4th January 2017.

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 £101k 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 At its 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 (initial allocation of £7,402k subsequently confirmed as £7,482k).
- 3.12.2 Full details of the current position on the Investment Fund and the Growth Fund are included in quarterly Capital Programme Monitoring reports to the Executive. At the time of writing, the uncommitted balances currently stand at £17.9m on the Investment Fund and £4.6m on the Growth Fund which will increase to £8.6m if the recommendations detailed in this report are approved. The following reports are being considered by Executive this cycle which, if approved, will reduce the uncommitted balances to £9m and £5m respectively.

Provision of Temporary Accommodation (Executive 14th March 2017);
Acquisition of Property (Executive 14th March 2017);
Proposed Public Realm Project and Market Re-organisation for Bromley High Street (Executive 22nd March 2017).

3.12.3 As reported as part of the Council's financial strategy, a prudent approach has been adopted in considering the central contingency sum to mitigate against financial risks to partly reflect the significant changes that may follow a new Government. The approach also includes an ongoing need to consider "front loading" savings to ensure difficult decisions are taken early in the budgetary cycle, to provide some investment in specific priorities, to fund transformation and to support invest to save opportunities which provide a more sustainable financial position in the longer term. The contributions made to the Growth Fund will greatly assist in providing a more sustainable financial position for the Council as it moves to become "self-sufficient" in the longer term with the ongoing need to address the budget gap of £24m per annum by 2020/21 reported to Executive in February 2017.

3.12.4 It is therefore proposed to increase the one off funding available in the growth fund by a further £4.0m to be met from monies not required in the current year from the 2016/17 Central Contingency. The setting aside of this additional funding will also require the approval of Council.

3.12.5 Any future release of these monies will be subject to a detailed report to Members for their approval.

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 Q3 & Annual Capital Review 2017 to 2021 – Executive 8 th February 2017; Treasury Management Annual Report 2015/16 – Executive & Resources PDS 7 th July 2016; Provision of Temporary Accommodation - Executive 14 th March 2017; Acquisition of Property - Executive 14 th March 2017; Proposed Public Realm Project and Market Re-organisation for Bromley High Street - Executive 22 nd March 2017; 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 30/11/16 £'000
Care Services	95,135	718	95,853	100,510	4,657	5,877
Education (incl. Schools' Budget)	5,245	433	5,678	5,753	75	1,087
Environment	31,203	412	31,615	30,793	Cr 822	Cr 228
Public Protection & Safety	1,948	Cr 49	1,899	1,908	9	Cr 20
Renewal and Recreation	8,953	284	9,237	8,884	Cr 353	Cr 29
Resources	36,812	3,031	39,843	39,969	126	690
Total Controllable Budgets	179,296	4,829	184,125	187,817	3,692	7,377
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	0	0
Total Portfolios (see note 1)	190,045	4,829	194,874	198,566	3,692	7,377
Central Items:						
Interest on General Fund Balances	Cr 3,491	0	Cr 3,491	Cr 3,941	Cr 450	Cr 250
Contingency Provision (see Appendix 3)	15,629	Cr 8,126	7,503	2,500	Cr 5,003	Cr 3,391
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	80
Set Aside Prior Year Collection Fund Surplus	4,912	0	4,912	4,912	0	0
Civic Centre Development Strategy	0	257	257	257	0	0
Environmental Initiatives Fund	0	500	500	500	0	0
Planning/Planning Enforcement	0	250	250	250	0	0
Apprenticeship Scheme	0	200	200	200	0	0
Contribution to Growth Fund	0	4,000	4,000	4,000	0	0
Levies	1,384	0	1,384	1,384	0	0
	5,563	5,207	10,770	10,850	80	80
Prior Year Adjustments						
Localised Pay Contracts	0	0	0	Cr 69	Cr 69	Cr 69
Core I.T. Contract	0	0	0	Cr 116	Cr 116	0
	0	0	0	Cr 185	Cr 185	Cr 69
Bromley's Requirement before balances	207,746	1,910	209,656	207,790	Cr 1,866	3,747
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	0	0	0	224	224	Cr 5,369
Revenue Support Grant	207,746	208	207,954	208,014	60	80
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 35,687	Cr 300	0
New Homes Bonus Top Slice	Cr 7,402	0	Cr 7,402	Cr 7,482	Cr 80	Cr 80
Transition Grant	Cr 986	Cr 223	Cr 1,209	Cr 889	320	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	Cr 4,912	0	Cr 4,912	Cr 4,912	0	0
GLA Precept	135,683	Cr 0	135,683	135,683	0	0
Council Tax Requirement	34,957	0	34,957	34,957	0	0
	170,640	Cr 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)	3,142
3) Local Services Support grant allocated to Education	Cr 15
	<u>4,829</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	2,641	118,921	123,709	4,788	7,016
Environmental & Community Services	50,044	780	50,824	49,819	Cr 1,005	Cr 279
Chief Executive's Department	23,721	1,408	25,129	25,038	Cr 91	640
	<u>190,045</u>	<u>4,829</u>	<u>194,874</u>	<u>198,566</u>	<u>3,692</u>	<u>7,377</u>

2) **Reversal of Net Capital Charges**

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

3) **Carry Forwards from 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	21,022	22,200	1,178	1	1,027	1,519
2,516	Direct Services	1,241	1,044	961	Cr 83	2	Cr 74	0
774	Commisioning & Service Delivery	2,700	1,168	1,175	7	3	19	0
28,980	Learning Disabilities	30,685	30,405	30,954	549	4	944	514
6,092	Mental Health	5,947	5,881	5,833	Cr 48	5	105	168
Cr 312	Better Care Funding - Protection of Social Care	0	0	Cr 371	Cr 371	6	Cr 207	0
60,702		60,907	59,520	60,752	1,232		1,814	2,201
	Operational Housing							
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0	7	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	7,210	7,009	Cr 201		75	146
	Housing funds held in contingency		0	201	201		0	0
1,413	Supporting People	1,051	1,051	1,144	93	8	76	Cr 72
5,426		5,497	6,353	6,446	93		151	74
	Children's Social Care							
16,768	Care and Resources	15,978	15,852	18,157	2,305	9	2,361	2,066
1,853	Safeguarding and Quality Assurance	1,494	2,665	2,567	Cr 98		85	0
2,508	Social Care Referral Services	2,695	2,802	2,905	103		0	Cr 70
3,174	Safeguarding and Care Planning	2,967	2,944	4,146	1,202		1,459	284
1,113	Early Intervention and Family Support	998	958	967	9		10	0
2,343	Children's Disability Service	2,342	2,281	2,279	Cr 2		0	0
27,759		26,474	27,502	31,021	3,519		3,915	2,280
	Health Integration							
330	Health Integration Programme	0	330	208	Cr 122	10	Cr 37	0
	Carers							
1,301	- Net Expenditure	1,434	1,434	1,184	Cr 250		Cr 135	0
Cr 1,301	- Recharge to Better Care Fund	Cr 1,434	Cr 1,434	Cr 1,184	250		135	0
	Information & Early Intervention							
1,187	- Net Expenditure	1,163	1,163	1,380	217		Cr 72	0
Cr 1,187	- Recharge to Better Care Fund	Cr 1,163	Cr 1,163	Cr 1,380	Cr 217		72	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	0	Cr 348	Cr 348	0	0	0	
171		Cr 153	177	55	Cr 122		Cr 37	0
	Strategic & Business Support Services							
242	Learning & Development	308	308	300	Cr 8	11	0	0
1,972	Strategic & Business Support	2,279	2,170	2,079	Cr 91		0	0
2,214		2,587	2,478	2,379	Cr 99		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
94,835	TOTAL CONTROLLABLE ECHS DEPT	94,940	95,658	100,281	4,623		5,843	4,555
2,690	TOTAL NON CONTROLLABLE	366	366	456	90		86	0
12,835	TOTAL EXCLUDED RECHARGES	8,291	10,013	10,013	0		0	0
110,360	TOTAL ECHS DEPARTMENT	103,597	106,037	110,750	4,713		5,929	4,555
	Environmental Services Dept - Housing							
189	Housing Improvement	195	195	229	34	12	34	0
189	TOTAL CONTROLLABLE FOR ENV SVCES DEPT	195	195	229	34		34	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		34	0
111,283	TOTAL CARE SERVICES PORTFOLIO	103,170	105,610	110,357	4,747		5,963	4,555

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	748
- income	Cr 748
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
Deprivation of Liberty Safeguards	66
Homelessness	760
Funding for Liberata re spot day care placements and transport invoices	Cr 8
Part funding for Corporate post	Cr 13
Environmental Services contribution to domestic violence services	30
Transfer of budget from ECHS to Commissioning (Transport BSO)	Cr 13
<i>Community Housing Fund</i>	
- expenditure	31
- income	Cr 31
Items requested this cycle:	
National Living Wage	686
Retained Welfare Fund	100
Children's Services Improvement Plan Phase 3	141
	<hr/> 2,440
Latest Approved Budget for 2016/17	<hr/> 105,610

REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £1,178k

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

	<u>Current</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>	
Services for 65 + - Placements	133
- Domiciliary Care / Direct Payments	1,159
Services for 18 - 64 - Placements	-40
- Domiciliary Care / Direct Payments	-5
Extra Care Housing	-31
Staffing	-38
	<u>1,178</u>

The budget for 2016/17 included savings of £2.15m in relation to the Assessment & Care Management budgets. In August a projected overspend of £827k was being reported, which included management action of £750k to be achieved during the year, so at that stage an overspend of £1,577k had been assumed. The figures for December show a projected overspend of £1,178k, assuming no further management action, indicating that £399k of the £750k management action has been achieved.

Services for 65+ - Dr £1,292k

Services for the 65's and over age group are currently showing a projected overspend of £1,292k, assuming no further management action being achieved.

Placements are currently projected to be overspent by £133k. This is analysed as (i) Residential care overspend of £71k (ii) Nursing care overspend of £39k (iii) supported living and shared lives overspend of £23k. The combined client numbers are currently 409 which is 8 above the budgeted number of 401.

The budget 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.

Domiciliary care and direct payments are currently projected to overspend by £1.159m. 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.

Extra Care Housing - Cr £31k

The 3 externally run extra care housing schemes are projected to underspend by £31k 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 - Cr £45k

Placements for the 18 - 64 age group are currently showing a projected underspend of £40k, however client numbers are above those budgeted for by 2. There are now 45 placements for this age group compared to 40 in August. Domiciliary care and direct payments are projected to underspend by £5k.

2. Direct Care - Cr £83k

Extra Care Housing - Dr £42k

The 3 inhouse units providing extra care services are now showing a projected overspend, comprising of a staffing overspend of £36k and reduced client contributions of £9k. Staffing of the unit's vary depending on the needs of clients placed there, with some clients needing more care hours than the budget provides for. Although some of these additional hours are offset by additional client contributions, unless the client is a full cost payer there is an additional net cost to the council.

Reablement Service - Cr £125k

The reablement service continues to achieve good results in the service it provides, continuing to reduce ongoing domiciliary care costs through it's reablement of clients. Staff resignations over the past year and the difficulty in recruiting to the subsequent vacant posts however is having an impact on the level savings that can be achieved. As a result of these vacancies the service is currently predicting an underspend of £125k.

3. Adult Social Care Commissioning & Service Delivery - Dr £7k (net)

There are a number of variations within the net overspend of £7k on Adult Social Care Commissioning:

	£000
Adult Social Care Commissioning staffing	37
Deprivation of Liberty Safeguards (DOLS) *	0
Legal expenses	22
Taxicard	-30
Other, including contracts	-22
	<u>7</u>

* Further budget pressures are anticipated relating to Deprivation of Liberty Safeguards but these require clarification. Some funding remains within the central contingency.

4. Learning Disabilities - Dr £549k

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 continues to be 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.

There continues to be a level of assumption relating to uncertainties included in the projections e.g. increased care needs, carer breakdowns, attrition, health funding, start dates for new packages etc. However given that we are now in the latter stages of the year this is a less significant element of the projection. Based on the information currently available an overall net overspend of £549k is anticipated.

5. Mental Health - Cr £48k

The original 2016/17 MH placements budgets included £254k savings which were fully achieved in advance in 2015/16. A further £40k has been added to the savings target for MH in-year to include a share of departmental savings that had previously not been identified from a specific area.

The previous report outlined that it was thought there had been a degree of mis-classification of new clients' Primary Support Reasons (PSRs) which was distorting the projections and overstating MH projected spend. This has now been rectified.

Overall, an underspend of £48k is currently anticipated on Mental Health budgets.

6. Better Care Fund - Protection of Social Care - Cr £371k

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 £371k in 2016/17 and this will be used to offset other budget pressures within social care in line with the intentions of the funding.

7. Housing Needs - £0k

A underspend of £276k is currently projected for Temporary Accommodation budgets. This is due to the drawdown of budget for this year already taken place and a lower than expected increase in clients during November and December. The client numbers for January have returned to the expected level. Despite the lower than expected increase in client numbers, the pressures that we have been experiencing for a while are continuing with rising unit costs and increasing number of clients.

Due to the increase in the number of new Homelessness clients being recorded by the Council earlier in the year (including 30 in one week), we have increased the number of new clients we are expecting each month in the forecast from 15 to 17 per month.

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 £146k 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.

One of the Traveller sites is experiencing high use of utilities (overspend of £75k) due to the site not have meters. This has been an ongoing pressure for some time, but has been covered by underspends in other areas of the budget. There is a Capital Project to install meters on the site in question that has been delayed.

8. Supporting People - Dr £93k

Savings totalling £370k were built in to the 2016/17 Supporting People budget and it is currently estimated that only £277k 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.

9. Children's Social Care - Dr £3,519k

The current projected overspend in Children's Social Care is £3,519k, a reduction of £396k since August. The main areas of under / overspending are shown below. The August projections included savings assumptions from management action for the remainder of the year of £250k and these have been achieved by amongst other things a freeze on spending on various budgets implemented by the Chief Executive in November 2016. No further management action is included in the projections, although officers continue to work to reduce expenditure.

Care and Resources - Dr £2,305k

Placements - Dr £1,092k

The budget for 2016/17 for children's placements included savings of £1,119k. Projections for December indicate a projected overspend in the region of £1.092m, a reduction of £450k from the figure reported in August. A high level of this reduction relates to the impact of changes in the fostering allowances, the effects of which are now able to be seen. This figure includes assumptions around future placements for the final 3 months of the financial year, although the level of volatility around this budget makes predictions difficult.

Leaving Care - Dr £824k

The costs in relation to clients leaving care continue to rise for both the 16-17 age group and the 18+ age group for whom housing benefit contributes towards the costs.

The costs in relation to clients leaving care at the age of 16 or 17 continue to rise from the figure reported in August, with an overspend of £475k being projected compared to an overspend of £302k in August, an increase of £173k. Costs have increased as children are having to be placed in accommodation with higher levels of support than they previously had.

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. In addition we have seen an increase in older LAC who entered the care system as older teenagers. The current overspend is projected at £349k based on the current numbers of clients in the service, an increase of £158k on the last reported figure. This amount could rise if net client numbers increase.

Staffing - Dr £389k

See note below relating to staffing budgets across the Division.

Safeguarding & Care Planning - Dr 1,202k

No Recourse to Public Funds - Cr £29k

The projected cost to Bromley for people with no recourse to public funding continues to underspend , however the underspend has reduced since the August monitoring which showed a figure of £45k under . The current projected underspend is £29k. Additional budget was moved into this area in 2015/16 to deal with a previous overspend on the budget. Currently there are 39 children with families receiving funding, compared to 28 in August. At the end of 2015-16 there were 48 receiving funding. This budget does however remain volatile.

Public Law Outline - Court Ordered Care Proceedings - Dr £920k

Cost's in relation to care proceedings are currently expected to be £920k above the budget provision of £542k. This is a reduction of £68k from the figure reported for August. 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 £311k

See note below relating to staffing budgets across the Division.

Safeguarding and Quality Assurance - Cr £98k

Staffing - Dr £193k

See note below relating to staffing budgets across the Division.

Various Expenditure Budgets - Cr £291k

In November 2016, the Chief Executive initiated a freeze on budgets that were underspending at that time. An amount of budget equal to these underspends has been moved to a specific code within Children's Social Care to ensure that they are not spent.

Social Care Referral Service - Dr £103k

Nurseries Recharge to Children's Social Care - Cr £172k

The underspend is being caused by a reduction in the income recharge to the Education Division in relation to the in-house nurseries. This underspend is offset by an overspend in the Education Division, and therefore has a £0 effect across the council.

Staffing - Dr £275k

See note below relating to staffing budgets across the Division.

Early Intervention and Family Support / Children's Disability Service - Dr £7k

Staffing - Dr £7k

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 overspends across most of the teams. The majority of the overspend relates to the use of costly locum staff, where it has not been possible to recruit permanently to posts. A HR recruitment and retention strategy is in place to address this.

10. Health Integration Division - Cr £122k

The Health Integration Division was newly formed in 2016/17 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 £493k. Of this, £371k relates to services funded by the Better Care Fund and referred to at ref 6 above. The remaining underspend of £122k relates to vacancies in the Programme Team and one off funding identified to contribute to the cost of the team.

11. Strategic & Business Support Service - Cr £99k

Since the last budget monitoring report, Strategic & Business Support Services Division has returned to ECHS Department from Corporate Services.

The projected underspend of £99k arises from variations across a number of budget heads including staffing, centrally controlled running expenses (including printing, stationery and DBS checks), training and income.

12. 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 OT assessments and referrals for work to be carried out which has a corresponding effect on the fees earned by the Housing Improvement team. Officers are investigating options for increased use of DFG funding in line with 'Better Care' funding guidelines and whether additional external occupational therapy support could be brought in to deal with the backlog. This will not impact on the fee income until next financial year.

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 there were 21 waivers agreed for care placements in both adults and children's social care services over £50k but less than £100k and 14 waivers agreed for over £100k. The waivers quoted relate to the annual cost of the placements, although it should be noted that some of these are short term placements where the final cost can be below these amounts.

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 the Executive there have been the following virements: £30k transferred from Environmental Services to contribute to domestic violence-related expenditure; £13k transferred to Corporate Services to part fund a post; £8k transferred to Corporate Services for additional Liberata costs relating to service changes. In addition, posts have been created following reports to Members relating to Children's Social Care Improvement plans and Deprivation of Liberty Safeguards.

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 205	83	1	0	0
231	Alternative Education and Welfare Service	250	250	258	8		0	0
264	Schools and Early Years Commissioning & QA	391	391	531	140	2	Cr 12	0
5,141	SEN and Inclusion	4,869	5,084	5,596	512	3	1,233	755
207	Strategic Place Planning	205	245	245	0		0	0
Cr 15	Workforce Development & Governor Services	18	18	18	0		0	0
Cr 1,650	Education Services Grant	Cr 1,728	Cr 1,728	Cr 1,257	471	4	471	552
	Education Funds Held in Contingency		0	Cr 471	Cr 471	4	Cr 471	Cr 552
Cr 1,395	Schools Budgets	Cr 1,219	Cr 1,219	Cr 1,219	0	5	0	0
1,757	Bromley Youth Support Programme	1,438	1,535	1,439	Cr 96	6	12	0
175	Other Strategic Functions	179	260	260	0		0	0
4,482		4,115	4,548	5,195	647		1,233	755
Children's Social Care								
1,872	Early Intervention Services	1,130	1,130	558	Cr 572	7	Cr 146	0
8,286		1,130	1,130	558	Cr 572		Cr 146	0
12,768	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	5,245	5,678	5,753	75		1,087	755
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
27,225	TOTAL EDUCATION PORTFOLIO - ECHS	12,683	12,884	12,959	75		1,087	755
Memorandum Item								
Sold Services								
Cr 62	Education Psychology Service (RSG Funded)	Cr 18	Cr 18	Cr 188	Cr 170	8	0	0
Cr 43	Education Welfare Service (RSG Funded)	Cr 33	Cr 32	Cr 13	19		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	113	113		0	113
Cr 23	Blenheim Nursery (RSG Funded)	0	0	54	54		0	54
0	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	Total Sold Services	Cr 68	Cr 67	Cr 51	16		0	167

Reconciliation of Latest Approved Budget

£'000

Original Budget 2016/17

12,683

Carry forwards:

SEN Implementation Grant 2015/16

- expenditure

28

- income

Cr 28

YOS Service Strategy Review

97

Contingency:

SEN Implementation Grant 2016/17

- expenditure

180

- income

Cr 180

SEN Regional Lead Grant 2016/17

- expenditure

28

- income

Cr 28

High Needs Strategic Planning Fund 2016/17

- expenditure

140

- income

Cr 140

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

Transfer of Education Transport Staff to SEN

47

Items Requested this Cycle:

SEN Regional Lead Grant 2015/16 (Carried Forward)

- expenditure

15

- income

Cr 15

SEN Implementation Grant 2015/16

- expenditure

80

- income

Cr 80

Consultancy Support (Place Planning & Schools)

40

Latest Approved Budget for 2016/17

12,884

REASONS FOR VARIATIONS

1. Adult Education Centres - Dr £83k

The restructure that took place in Adult Education at the start of the Academic year has now started to settle down and is producing an overspend of £83k for this year. The pressure is being caused by a reduction in income (mainly from the SFA grant) and unexpected payments to staff for Lieu of notice. These pressures are being offset by under spending in running costs. We are currently in the process of trying to set a balanced budget for next year that will take into account these issues.

As part of the restructuring of the Adult Education Service, they vacated one of the properties they occupied. This property was then to be used by the EFA to provide extra schooling in Bromley. This has not yet progressed. The property has now passed its exemption period and Business Rates totalling £28k are now due.

2. Schools and Early Years Commissioning & QA - Dr £140k

£38k underspend in this area is due to vacant posts being held vacant for the remainder of the year.

The overspend is being caused by an under collection of recharge income from Children Social Care (CSC) in relation to the in-house nurseries (£172k). This overspend is offset by an underspend in CSC, and therefore has a £0 effect across the council.

A report recently went to the Commissioning Board relating to the two in-house nurseries within this area. The Commissioning Board has requested that 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 plan will not be fully implemented until the start of the new Financial Year.

3. SEN and Inclusion - Dr £512k

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 £656k. 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 due to the young age of the client).

Central Government pay the council 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.

The Education Psychologists Trading Account has collected income over its budget by £188k this year. This is offset by the overspend of £40k the work the Education Psychologists are required to do with the schools in Bromley. This results in a total underspend of £148k.

4. 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.

5. 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 £101k will therefore add to the £3.7m carried forward from 2015/16. Along with £3m for the Beacon House refurbishment (of which £1.4m remains), £2.3m has been agreed for growth in 2016/17 to balance the budget, so the brought forward balance has now been fully spent / allocated.

Bulge classes are currently expected to overspend by £240k for this financial year. Additionally we are currently expecting to spend £166k 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 Schools 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.

The Primary Support Team is in the process of being re-organised that has resulted in a number of posts currently being vacant (and remaining so for the rest of the year). This has resulted in an under spend of £54k for the year.

The FAP budget is overspent by £82k due to the payment for 2015/16 Secondary FAP being paid in 2016/17 in error.

Phoenix Pre School Services are currently in negotiations regarding 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 is 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.

Free Early Years Education is forecast to overspend by £75k this year. This is down to the £3k overspend in the summer term for the 2 year old age and an overspend £72k for the year in the 3 & 4 years age.

SEN placements are projected to overspend by a total of £214k. This overspend is mainly due to higher than expected number of children attending Independent Day Schools (£705k) and Maintained Day Schools (£330k). There is also an increased use of Alternative support (£275k). These overspends are then offset with underspends on children being placed in Independent Boarding schools (£819k), Maintained Boarding schools (£59k) and higher than expected income to be collected (£82k).

SEN Support for clients in Further Education Colleges is expected to overspending by £29k 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.

There is a Strategic Review of the SEN service (as per Government guidance) that will review the current vacant posts that are the main reason behind the underspends in the following headings:-

Home & Hospital

SIPS

Pupil Support Service

Sensory Support

High Needs Pre-school Service

Complex Need Team

The DSG funded element of SEN Transport is projected to overspend by £10k due to the new routes that have been established this year. 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	240
Modular classroom rentals	166
Special Schools/units	55
Secondary Schools	8
Free Early Education - 2 year olds	3
Free Early Education - 3 & 4 year olds	72
Primary Support Team	Cr 54
FAP Payments	82
Standards Fund Grant	Cr 745
Other Small Balances	4
SEN:	
- Placements	214
- Support in FE colleges	29
- Home & Hospital	Cr 17
- SIPS	Cr 22
- Pupil Support Services	Cr 47
- Sensory Support	Cr 30
- High Needs Pre-school Service	Cr 49
- Complex Needs Team	Cr 15
- Transport	10
- Other Small Balances	Cr 5
	<u>Cr 101</u>

6. Bromley Youth Support Programme - Cr £96k

Previously the Youth Service has been projecting to overspend in year on salaries and some running costs whilst the restructure required to reconfigure the service to achieve the 2015-16 saving was completed. However staffing underspends during a period of recruitment will result in an in-year underspend during which the service has continued 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, however during 2016-17 there have been in year turnover savings during a period of recruitment.

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

	Variations £'000
Youth Services	Cr 30
Youth Offending Team	5
Bromley Education Business Partnership	Cr 71
	<u>Cr 96</u>

7. Early Intervention Services - Cr £572k

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 53
Parent Partnership	Cr 19
	<u>Cr 72</u>

In addition, Public Health funding has been allocated to children's centres for 2016/17 resulting in an underspend in year.

8. 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, four waivers have been actioned and they all have an annual value of less than £20k each.

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. These relate to adjustments to realign the SEN budgets that include the rental income received from the EFA.

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	5,186	95	1	70	0
417	Street Regulation and Enforcement incl markets	386	364	244	Cr 120	2	Cr 35	0
17,599	Waste Services	17,206	17,506	17,008	Cr 498	3	7	0
3,891	Street Environment	4,181	4,181	4,232	51	4	0	0
808	Management and Contract Support	781	781	810	29	5	0	0
629	Transport Operations and Depot Management	811	710	644	Cr 66	6	Cr 33	0
280	Trees	683	723	813	90	7	0	0
29,069		29,157	29,356	28,937	Cr 419		9	
	Parking Services							
Cr 7,455	Parking	Cr 7,041	Cr 7,081	Cr 7,413	Cr 332	8-13	Cr 271	0
Cr 7,455		Cr 7,041	Cr 7,081	Cr 7,413	Cr 332		Cr 271	0
	Transport & Highways							
112	Traffic & Road Safety	284	284	256	Cr 28	14	0	0
10,035	Highways (including London Permit Scheme)	8,803	9,056	9,013	Cr 43	15	34	0
10,147		9,087	9,340	9,269	Cr 71		34	0
31,761	TOTAL CONTROLLABLE	31,203	31,615	30,793	Cr 822		Cr 228	0
8,075	TOTAL NON-CONTROLLABLE	5,299	5,434	5,269	Cr 165	16	Cr 66	0
2,429	TOTAL EXCLUDED RECHARGES	2,041	2,041	2,041	0		0	0
42,265	PORTFOLIO TOTAL	38,543	39,090	38,103	Cr 987		Cr 294	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

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

Salary budget for mail delivery to corporate for TFM contract

Cr 34

Transfer of budget for SEN transport client monitoring staff to Education

Cr 47

Contribution from central contingency for Waste 4 Fuel site clearance costs

300

Latest Approved Budget for 2016/17

39,090

REASONS FOR VARIATIONS

1. Parks and Green Spaces Dr £95k

Additional costs of Dr £45k have been incurred to repair and replace safety surfaces at various playgrounds and Dr £7k has been spent on painting playground equipment. These costs have been funded by projected underspends elsewhere in Street Scene and Greenspace. There is also a projected overspend of Dr £61k for a deed of surrender for the lease of Crystal Palace Park café which is partly offset by tenants income Cr £15k and other minor variations of Cr £3k. The total variation for Parks is Dr £95k.

Summary of variations - Parks & Green Spaces		£'000
Safety surface repairs for Playgrounds		45
Playground equipment painting		7
Deed of surrender for Crystal Palace Park café lease		61
Tenants income from CPP Café	Cr	15
Other minor variations	Cr	3
Total variation for Parks & Green Spaces		95

2. Street Regulation and Enforcement incl markets Cr £120k

There is projected surplus income of Cr £10k due to the recovery of administration costs dealing with claims for repairs to street furniture damaged by car accidents and Cr £20k for income relating to rental of space for promotions within Bromley Town Centre. Net additional income of Cr £60k is expected for markets and surplus income of Cr £20k is projected for Street Trading Licences due to additional street traders being taken on, and specialist markets being run. An increased demand for skip Licences has led to extra income Cr £10k above budget. This projected underspend is partly offset by additional costs within the Street Environment budget as detailed below.

Summary of variations - Street Regulation & Enforcement incl markets		£'000
Recovery of administration costs for dealing with claims re damage to street furniture	Cr	10
Income from rental of space for promotions	Cr	20
Income from market stalls (net additional)	Cr	60
Income from street trading licences	Cr	20
Income from skip licences	Cr	10
Total variation for Street Regulation & Enforcement incl markets	Cr	120

3. Waste Services Cr £498k

Disposal tonnages from increased trade waste delivered activity are projected to be around 1,200 tonnes above budget resulting in an overspend of Dr £170k. For information, there has been an additional 800 tonnes at the weighbridges for the first nine 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 within trade waste delivered is Cr £170k to offset the disposal overspend from weighbridge tonnage.

Green Garden Waste disposal tonnage is projected to generate an overspend of around £74k. Tonnage is up on 2015/16 by 1,900 tonnes to December 2016 and is projected to be up by a total of 2,200 for the full financial year.

For other residual tonnage, there is a projected underspend of Cr £94k.

Within paper recycling income, there is a projected surplus of Cr £66k as tonnage is expected to be about 990 tonnes above budget.

The projected reduction in detritus tonnage has resulted in a potential underspend of £49k for disposal costs.

Across the garden waste collection services, there is a projected underspend of Cr £167k. This is made up of a projected overspend of Dr £85k for containers and a new tagging system. The fifth vehicle has not been used as much as anticipated and there is an underspend of Cr £51k projected. Sales of green garden waste stickers have not dropped off as much as in previous years and additional income of Cr £19k is expected and there is a net increase in the number of wheelie bin customers in 2016/17 resulting in extra income of Cr £182 being forecast. The Executive will be asked to carry forward this underspend to contribute towards the development costs of the debt management system which will enable payments to be made by direct debits.

The Coney Hill contract is expected to underspend by Cr £27k.

There is an underspend of Cr £59k for the waste collection contract. This is made up of Cr £18k relating to a decrease in the number of special collections and there is an underspend of Cr £40k for emptying recycling banks and flytipping costs.

There are outstanding defaults of £200k for the waste collection contract.

There is a projected overspend of £64k for waste containers. This is partly due to improvements to the on street recycling network in order to increase capacity and to meet the growth in demand for household recycling and bulk containers.

Other minor variations across income and operational expenses are projected to be Dr £11k.

Income from recycling metals is expected to be below budget by Dr £15k mainly due to the reduction in the market price.

Summary of overall variations within Waste Services		£'000
Waste disposal tonnages - other residual tonnage	Cr	94
Waste disposal tonnages - Trade Waste Delivered		170
Waste disposal tonnages - Green Garden Waste		74
Surplus trade waste delivered income	Cr	170
Paper recycling income	Cr	66
Disposal of detritus tonnage	Cr	49
Green Garden Waste Services	Cr	167
Coney Hill	Cr	27
Waste collection contract	Cr	59
Other minor variations across income & operational expenses		11
Defaults for collection service	Cr	200
Other recycling income		15
Purchase of waste containers		64
Total variation for Waste Services	Cr	498

4. Street Environment Dr £51k

Additional costs have been incurred for additional weed spraying Dr £40k and extra litter teams Dr £11k. These costs have been funded by projected underspends elsewhere in Street Scene and Greenspace.

Abandoned vehicles are projected to be overspent by £20k partly due to the fall in the price of scrap metal. The contractor can no longer recover costs from income, so charges the full cost to the council. In addition some individuals who would otherwise take their vehicle to the scrap merchants for the income are now abandoning them, which has led to an increase in numbers. The increase in cost is offset by an underspend on the cleansing contingency budget of Cr £20k.

Summary of overall variations within Street Environment		£'000
Abandoned vehicles		20
Cleansing contingency	Cr	20
Additional litter teams		11
Additional weed spray		40
Total variation for Street Environment		51

5. Management & Contract Support Dr £29k

There is a projected variation on salaries due to temporary staff costs employed to undertake commissioning work.

6. Transport Operations and Depot Management Cr £66k

Due to part year savings achieved on the Mail Delivery Service as reported to the Executive on 20th July 2016, there is a projected underspend Cr £37k. The SEN Education client service is also expected to underspend by Cr £29k.

7. Trees Dr £90k

The arboriculture service budget is expected to overspend by £90k due to health and safety remedial works associated with condition surveys and extra trees being planted.

8. Income from Bus Lane Contraventions Cr £410k

The introduction of the automated cameras went live in June, a few months later than anticipated. Based on the number of contraventions that occurred up until 31st December 2016, there is a projected net surplus of Cr £410k.

The additional income declared on Bus Lanes of Cr £410k is net of funding the cost of the automated cameras. The carry forward sum of £306k is now no longer required and has been returned to the central contingency.

9. Off Street Car Parking Dr £20k

Based on actual income to December 2016, there is an overall deficit of £20k projected for Off Street Parking income. This is made up of an expected deficit of £20k at the Hill MSCP, Cr £20k Village Way MSCP, a deficit of £60k at the Civic Centre MSCP and a projected surplus of Cr £40k for other 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	40
Total variations within Off Street Parking		20

10. On Street Car Parking Dr £154k

Based on actual income to 31st December 2016 there is a projected net deficit of around £160k 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 streets 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 December 2016, the new spaces operational to date and those planned for implementation by 31st March 2016, it is projected that there will be a shortfall in On Street Parking income of £160k in 2016/17.

Lower airtime costs for the P&D machines have resulted in a net projected underspend of Cr £32k.

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.

Summary of variations within On Street Car Parking

	£'000
Shortfall of income	160
Lower airtime costs	Cr 32
Extra costs of coinage changes to equipment	26
Total variations within On Street Parking	154

11. Car Parking Enforcement Cr £30k

Based on the activity levels up to December 2016, there is a projected net surplus of Cr £20k from PCNs issued by Indigo Park. There was a delay in employing the 4 additional CEOs on street due to difficulties in staff recruitment however these are now in post with a part year underspend of Cr £48k. The numbers 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, there is a net surplus of Cr £16k for mobile cars used until then. Automatic cameras have been set up outside schools and since compliance has increased at these locations there is a projected deficit in income of Dr £30k. CCTV staff were given notice mid-June 2016 and the additional cost of their salaries is £53k. It should be noted that the CCTV staff were 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 driver is £10k for 2016/17. There is a projected underspend of £5K for London Council's Debt Collection and Registration Fee and other minor variations Cr £8k.

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	Cr 20
CCTV Salaries	53
Mobile driver salary	10
PCNs issued by automatic cameras at schools	30
PCNs issued by Mobile (car) cameras	Cr 16
Enforcement equipment replacement budget	Cr 26
Budgets not required for additional CEOs etc	Cr 48
Debt Collection and Registration Fees	Cr 5
Other minor variations	Cr 8
Total variations within Car Parking Enforcement	Cr 30

12. Parking Shared Service Cr £48k

The total variation for the Parking Shared Service is Cr £48k mainly due to vacant posts.

13. Permit Parking Cr £18k

Based on income and expenditure to the end of December 2016, it is projected that there will be additional income of Cr £11k due to an increase in visitors permits issued. In addition there is a minor underspend on staffing and running expenses of Cr £7k.

Summary of overall variations within Parking:

	£'000
Bus Routes Enforcement	Cr 410
Off Street Car Parking	20
On Street Car Parking	128
On/Off Street Car Parking - upgrade machines for changes in currency	26
Enforcement - Equipment budget	Cr 26
Car Parking Enforcement	Cr 4
Parking Shared Service	Cr 48
Permit Parking	Cr 18
Total variation for Parking	Cr 332

14. Traffic and Road Safety Cr £28k

There is a projected underspend of Cr £100k on TfL funded salaries due to vacancies which is offset by a corresponding reduction in capital salary recharges of Dr £100k. Although there is no overall effect on revenue, it will increase the capital funding available for implementation of TfL funded schemes.

Income from road closure licences is expected to be Cr £18k above budget and other minor variations total Cr £10k.

15. Highways (Including London Permit Scheme) Cr £43k

Within NRSWA income, there is a projected income net surplus of £52k. The deficit projected for defect notices is more than offset by additional income from permits and coring.

Summary of NRSWA Projected Income Variations	£'000
Defects	140
Permits	Cr 120
Coring (net)	Cr 60
Section 74 Notices	Cr 20
Fixed Penalty Notices	8
Total Projected variations for NRSWA Income	Cr 52

There is a projected underachievement of income in 2016/17 of £9k for the advertising on street columns when the current extension comes to an end.

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

Highways	Budget £'000	Outturn £'000	Variance £'000
Planned maintenance for carriageway and footway Reconstruction	2,418	2,898	480
Reactive maintenance for carriageways and footways	1,787	1,307 Cr	480
	4,205	4,205	0

Summary of Variations - Highways (Incl London Permit Scheme)	£'000
NRSWA Income	Cr 52
Street Lighting - advertising income	9
Highways Maintenance	20
Street Lighting - salaries	Cr 20
Total Projected variations for Highways (Incl London Permit Scheme)	Cr 43

16. Non-controllable Cr £165k

There is a projected surplus income of Cr £52k within the property rental income budget and Cr £113k underspend within the repair & maintenance budget. 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) £56k (28 months contract). Waiver was required as only one bid returned for removal, storage and disposal of nuisance and abandoned vehicles.

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 £15k to between SS&GS Markets- Other Hired and Contracted and SS&GS Markets Salaries in accordance with HMRC directive on self-employed staff.
- 2) Virement of £40k to Highways Maintenance from Parking income.

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	121	Cr 5	1	0	0
70	Emergency Planning	78	78	78	0	2	0	0
333	Mortuary & Coroners Service	355	395	471	76	3	0	0
1,464	Public Protection	1,389	1,300	1,238	Cr 62	4	Cr 20	0
2,039	TOTAL CONTROLLABLE	1,948	1,899	1,908	9		Cr 20	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	2,064	2,073	9		Cr 20	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

Salary budget to Quality Assurance - ECHS

Cr 30

Salary budget for asbestos works to corporate (TFM contract)

Cr 19

Latest Approved Budget for 2016/17

2,064

REASONS FOR VARIATIONS

1. Community Safety Cr £5k

There are minor underspends across staffing and running expenses of Cr £5k.

2. Emergency Planning £0k.

There is a sundry creditor provision no longer required for a payment to London Fire and Planning Authority Cr £15k and minor variations of Cr £5k on running expenses. This underspend of £20k is to be used on business continuity planning.

3. Mortuary and Coroners Service Dr £76k

There is a projected underspend on Mortuary costs of £48k based on the information received to date. The new contract for the Mortuary at the Princess Royal University Hospital is underway and the basic charges are currently lower than the previous contract.

On the Coroners Service there is a projected net overspend of £124k based on estimated service costs provided by London Borough of Croydon who administer the Coroners Service Consortium made up of four local authorities. This is due to a number of issues which have come to light in recent months. The Davis House, Croydon, refurbishment cost for housing the Coroner's court have escalated without prior agreement by the Consortium. The refurbishment project is being directly managed by Croydon. The projected revenue costs have also increased considerably for 2016/17. The estimated costs for 2016/17 and 2017/18 have not been broken down in detail by Croydon or reasons provided to explain the significant increase in costs of the service. Further information has been requested from the accountants at Croydon.

4. Public Protection Cr £62k

Salaries are projected to be underspent by £10k due to vacancies and there is a projected underspend of Cr £4k on leased cars.

Credits on electricity bills for previous financial years together with lower tariffs has resulted in a projected underspend of Cr £16k on electricity. Transport costs are due to be Cr 15k under budget as a result of the purchase of the vehicle last financial year.

Overall there is a net variation of Cr £16k for Supplies and Services which is mainly on office equipment and grants and subscriptions.

Additional income of Cr £23k is forecast, Cr £17k is from Homes in Multiple Occupation licences income and Cr £6k is from SDK Stray dogs reclaims.

The Uniform system requires updating which will cost Dr £22k. These costs include upgrade costs of the Idox system, an upfront one-off licence fee, and the BT contract costs.

Summary of variations:

	£'000
Staffing related costs	Cr 14
Electricity for CCTV	Cr 16
Transport	Cr 15
Supplies and Services	Cr 16
Additional income	Cr 23
Uniform system upgrade	22
Total variations	Cr 62

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 £10k to Care Services for monitoring of the Domestic Abuse related contracts (from Public Protection).

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	14	Cr 55	1	Cr 50	0
Cr 168	Land Charges	Cr 131	Cr 131	Cr 138	Cr 7	2	Cr 9	0
589	Planning	671	636	671	35	3	30	0
1,568	Renewal	1,888	1,927	1,627	Cr 300	4	0	0
1,970		2,497	2,501	2,174	Cr 327		Cr 29	0
	Recreation							
2,192	Culture	1,710	1,698	1,714	16	5	0	0
4,610	Libraries	4,495	4,745	4,738	Cr 7	6	0	0
263	Town Centre Management & Business Support	251	293	258	Cr 35	7	0	0
7,065		6,456	6,736	6,710	Cr 26		0	0
9,035	Total Controllable R&R Portfolio	8,953	9,237	8,884	Cr 353		Cr 29	0
Cr 13,572	TOTAL NON CONTROLLABLE	2,353	2,353	2,318	Cr 35	8	1	0
2,281	TOTAL EXCLUDED RECHARGES	1,958	2,177	2,177	0		0	0
Cr 2,256	PORTFOLIO TOTAL	13,264	13,767	13,379	Cr 388		Cr 28	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 £55k

For the chargeable service, an income deficit of £125k is anticipated based on information to date. This is being offset by a projected underspend within salaries of £140k arising from reduced hours and vacancies, and £25k underspend on running costs. The projected surplus of Cr £40k will increase the cumulative surplus on the Building Control Charging Account to £150k.

Within the non-chargeable service, as a result of delays in appointing to vacant posts, there is a projected underspend of Cr £50k on staffing and Cr £5k on supplies and services.

2. Land Charges Cr £7k

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

There is a projected underspend of £7k on the Non-Chargeable budget due to vacant posts.

3. Planning Dr £35k

Income from non-major planning applications is above budget for the first nine months of the year, and a surplus of Cr £80k is projected for 2016/17. For information, actual income received for April to December is around £80k higher than that received for the same period last year.

For major applications, £200k has been received as at 31st December, which is £90k 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 £50k. 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 Cr £40k from pre-application meetings due to higher than budgeted activity levels. For information, £132k has been received for the first nine months of the year, which is similar to the same period in 2015/16.

There is a projected overspend within employee-related costs of Dr £115k for planning officers and Dr £35k 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. These costs have been funded from the additional income.

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 £75k 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 other miscellaneous income within Planning.

Summary of variations within Planning:

	£'000
Surplus income from non-major applications	Cr 80
Surplus income from major applications	Cr 20
Surplus pre-application income	Cr 40
Surplus from miscellaneous income	Cr 50
Additional temporary planning staff	115
Additional temporary planning enforcement staff	35
Consultants costs	75
Total variation for planning	35

4. Renewal Cr £300k

It is likely that £300k will be underspent on the Town Centre Development Works funded by New Homes Bonus and therefore a carry forward request will be made at year-end in order to enable the outstanding works to be completed in 2017/18. Formal GLA approval will also need to be obtained to agree the new profile of spend.

5. Culture Dr £16k

An overspend of £16k is projected for Culture. Dr £6k of this is for the increase in inflation of 1.3% for the Mytime grant which was above the 0.5% inflation added to the budget. The balance of Dr £10k relates to an overspend on staffing and equipment.

6. Libraries Cr £7k

There are minor variations of Cr £7k from part year vacancies and a reduction in business rates.

7. Town Centre Management & Business Support Cr £35k

Following the change of focus of the regeneration plan and the change in contractor to Cushman and Wakefield, there will be an underspend of Cr £20k on the Orpington town centre scheme which is funded from the New Homes Bonus. A request will be submitted to the Executive to carry this amount in order to complete the specific projects, subject to the GLA agreeing the re-profile of spend.

There is an overspend of Dr £13k on staffing due to the delay in the deletion of the Town Centre Management post. This is more than offset by additional income of Cr £7k received for promotional space and a net underspend of Cr £21k on supplies and services.

Summary of variations within TCM:

	£'000
Underspend on Orpington TC scheme (carry forward request)	Cr 20
Staffing	13
Additional income	Cr 7
Underspend on supplies and services	Cr 21
Total variation for TCM	Cr 35

8. Non-controllable Cr £35k

Within property rental income budgets, there is projected surplus income of £35k. 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, no waivers have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

Resources Portfolio Budget Monitoring Summary

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	457	0		Cr 1	0
6,339	Exchequer - Revenue & Benefits	6,729	6,729	6,761	32	1	82	0
1,500	Exchequer - Payments & Income	1,560	1,568	1,552	Cr 16	2	Cr 17	0
602	Financial Accounting	588	639	619	Cr 20	3	Cr 8	0
1,387	Management Accounting	1,520	1,489	1,440	Cr 49	4	Cr 40	0
733	Audit	664	664	638	Cr 26	5	Cr 38	0
10,761	Total Financial Services Division	11,268	11,546	11,467	Cr 79		Cr 22	0
	CORPORATE SERVICES DIVISION							
4,453	Information Systems & Telephony	4,369	4,422	4,355	Cr 67	6	Cr 24	0
1,027	Customer Services (inc. Bromley Knowledge)	1,007	1,078	1,080	2		16	0
	Legal Services & Democracy							
323	Electoral	319	319	319	0		11	0
1,371	Democratic Services	1,397	1,397	1,376	Cr 21	7	Cr 16	0
Cr 104	Registration of Births, Deaths & Marriages	Cr 95	Cr 95	Cr 100	Cr 5	8	Cr 1	0
1,564	Legal Services	1,602	1,672	1,692	20	9	15	0
168	Management and Other (Corporate Services)	152	152	170	18	10	19	0
8,802	Total Corporate Services Division	8,751	8,945	8,892	Cr 53		20	0
	HR DIVISION							
1,501	Human Resources	1,550	1,617	1,598	Cr 19	11	0	0
1,501	Total HR Division	1,550	1,617	1,598	Cr 19		0	0
	COMMISSIONING AND PROCUREMENT DIVISION							
616	Procurement and Data Management	462	998	937	Cr 61	12	6	
0	Commissioning	0	1,259	1,212	Cr 47	13	Cr 6	
0	Debt Management System	0	0	0	0	14	0	0
616	Total Commissioning and Procurement Division	462	2,257	2,149	Cr 108		0	0
	CHIEF EXECUTIVE'S DIVISION							
205	Comms	177	123	125	2		17	0
710	Management and Other (C. Exec)	538	714	703	Cr 11	15	85	0
122	Mayoral	131	131	173	42	16	32	0
1,037	Total Chief Executive's Division	846	968	1,001	33		134	0
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
2,002	Admin Buildings & Facilities Support	1,949	1,902	1,930	28	17	50	0
203	Investment & Non-Operational Property	181	211	200	Cr 11	18	Cr 20	0
1,001	Strategic & Operational Property Services	1,032	1,159	1,106	Cr 53	19	Cr 59	0
0	TFM Client Monitoring Team	0	164	162	Cr 2		0	0
Cr 7,456	Investment Income	Cr 9,542	Cr 9,542	Cr 9,042	500	20	566	0
Cr 824	Other Rental Income - Other Portfolios	Cr 811	Cr 811	Cr 808	3	21	21	0
2,018	Repairs & Maintenance (All LBB)	1,929	2,230	2,117	Cr 113	22	0	0
Cr 3,056	Total Environment & Community Services Dept	Cr 5,262	Cr 4,687	Cr 4,335	352		558	0
19,661	Total Controllable Departmental Budgets	17,615	20,646	20,772	126		690	0
	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
38,181	Total Controllable	36,812	39,843	39,969	126		690	0

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 877	Total Non Controllable	959	959	959	0		0	0
Cr 20,883	Total Excluded Recharges	Cr 16,781	Cr 18,490	Cr 18,490	0		0	0
Cr 1,439	Less: R&M allocated across other Portfolios	Cr 1,529	Cr 1,664	Cr 1,551	113		0	0
824	Less: Rent allocated across other Portfolios	811	811	808	Cr 3		Cr 21	0
15,806	TOTAL CHIEF EXECUTIVE'S DEPARTMENT	20,272	21,459	21,695	236		669	0
15,806	TOTAL RESOURCES PORTFOLIO	20,272	21,459	21,695	236		669	0
	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

Other:

Inflation adjustment

54

Transfer of Renewal budget from R&R

62

Transfer of Salary budget from Culture

58

Transfer of salary budget from PPS

20

Transfer of salary budget to ECHS

Cr 20

Adjustment for loss of income from Academy transfers

216

Adjustment for legal employment work

33

Saving on HR & Finance from school conversions

Cr 40

Transfer of Salary budget from ECHS to IT

13

Transfer of budget for Asbestos post & Mail Delivery to TFM

53

Transfer of budget from ECHS for Exchequer

8

Transfer of salary budget from ECHS to Commissioning

13**Latest Approved Budget for 2016/17****21,459**

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

The net total underspend for Financial Services Division is Cr £79k. The reasons for the variations are as explained below.

1. Exchequer - Revenues and Benefits Dr £32k

There is an overspend of Dr £258k on business software and licences mainly due to a one-off purchase of Capital Connect software costing £230k. This is offset by additional grant income of Cr £325k.

Contract payments to be made to Liberata are expected to be below budget by Cr £26k. However, there is an additional Dr £220k payment to Liberata as an incentive scheme payment reflecting contractual terms for over achieving the Council Tax Collection targets in 2015-16, which effectively resulted in a significantly higher level of income received by the Council.

There is a projected underspend of Cr £80k within salaries and running costs mainly due to a number of vacant posts. Net additional income of Cr £15k is expected from the collection of income from charges related to summons raised.

Summary of variations within Exchequer - Revenues & Benefits		£000
Capital Connect software		230
Other licences and software support		28
Collection of income from grants	Cr	325
Liberata contract payments	Cr	26
Incentive Scheme (Liberata)		220
Staffing vacancies & running costs	Cr	80
Collection of income from charges related to summons raised	Cr	15
Total Variation		32

2. Exchequer - Payments & Income Cr £16k

Staff vacancies have resulted in a projected underspend of Cr £14k and an underspend of Cr £2k across miscellaneous budgets.

3. Financial Accounting Cr £20k

This variance is mainly due to vacancies that have arisen during the year.

4. Management Accounting Cr £49k

Vacancies within the Management Accounting teams have resulted in a forecast underspend of Cr £63k. This is offset by a net variations of £14k overspend across supplies and services budgets.

5. Audit Cr £26k

A reduction in the external audit fee has resulted in an underspend of Cr £15k. Other minor variations total Cr £11k.

CORPORATE SERVICES DIVISION

6. ISD Cr £67k

An underspend of Cr £67k is forecast due to vacancies within the ISD team. These posts have now been permanently filled or are covered by temporary and agency staff.

7. Democratic Services Cr £21k

The budget for members allowances is expected to underspend by Cr £35k. This is offset by an overspend of Dr £14k for staff overtime and running expenses.

8. Registration of Births, Deaths & Marriages Cr £5k

There is a minor net variation of Cr £5k across the service. This is made up of additional staffing costs of Dr £10k and running expenses Dr £21k which is more than offset by additional income of Cr £36k.

9. Legal Services Dr £20k

This variation is due to a combination of additional agency costs to cover for maternity leave and commissioning works of Dr £15k and extra legal expenses Dr £5k.

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.

10. Management and Other (Corporate Services) Dr £18k

This variation mainly relates to a saving built into the 15/16 budget £20k, which is partly offset by Cr £2k underspend on staffing. For 17/18 budget, alternative savings have been identified to ensure a balanced budget.

HR DIVISION

11. Human Resources Cr £19k

A net variation of Cr £19k is projected for Human Resources, mainly as a result of an underspend on staffing due to part year vacancies as well as additional income from schools.

COMMISSIONING AND PROCUREMENT DIVISION

12. Procurement and Data Management Cr £61k

A projected net underspend of Cr £61k mainly relates to staffing. A sum of £50k was carried forward from 2015/16 for IT staffing costs for work on the Contract Database Development. The funding will need to be carried forward to 2017/18 to complete the works on the database development.

EARLY WARNING

As the Contract Database Development works will not be completed this year, a request to carry forward the funding will be submitted to enable the completion of the development of the system.

13. Commissioning Cr £47k

An underspend of Cr £50k is expected due to part year vacancies and a variation in contracted hours. Other minor variations total Dr £3k.

14. Debt Management System

EARLY WARNING

A request to carry forward the £80k expenditure budget and income budget will be submitted to complete the development of the system.

CHIEF EXECUTIVES DIVISION

15. Management and other (Chief Executive) Cr £11k

Part year vacancies have resulted in a projected underspend of Cr £17k offset by an overspend of Dr £6k across supplies and services.

16. Mayoral Dr £42k

Overspends on overtime and running expenses of Dr £27k 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 Dr £42k.

ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT

17. Admin Buildings & Facilities Support Dr £28k

A net overspend of Dr £28k is forecast for Admin Building and Facilities Support. This includes Dr £15k overspend on staffing as consultation began in March/April and costs were incurred in 2016/17 for pay in lieu of notice. A reduction in the income of Dr £22k is projected due to a decrease in the number of staff paying for parking spaces at the Civic Centre. This is partly offset by a minor variations across other budgets of Cr £9k.

18. Investment and Non-Operational Property Cr £11k

A delay on the transfer of Anerley Business Centre to the Crystal Palace Community Development Trust (CPCDT) has resulted in additional costs of Dr £89k 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 £26k 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 and Sundry properties of Cr £132k, mainly from business rates.

Other minor variations total Dr £6k.

Summary of variations within Investment & Non- Operational Property		£000
Delay in transfer of Anerley Business Centre		89
Surplus Properties		26
Exchequer House and Sundry properties	Cr	132
Other net variations		6
Total Variation	Cr	11

19. Strategic & Operational Property Cr £53k

Part year net savings of Cr £55k are expected as a result of the new Total Facilities Management contract after taking account of the £40k saving that was built in the budget. In addition the Walnuts boiler plant is forecast to be Dr £26k overspent and there are other minor variations totalling Cr £24k within staffing and running expenses.

Summary of variations within Strategic & Operational Property		£000
Net savings of the TFM contract	Cr	55
Walnuts Boiler Plant		26
Other net variations	Cr	24
Total Variation	Cr	53

20. Investment Income Dr £500k

A shortfall of Dr £500k is projected for investment income which takes into consideration the following issues:

- A shortfall of income on Investment Fund properties of Dr £777k
- A deficit of Dr £50k is projected for the rent share from The Glades Shopping Centre. Accounts are supplied by Alaska UK quarterly in arrears and this projection is based on information to 14th January. 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 £1.956m.
- Additional income of Cr £68k is expected for Yeoman House from the NHS CCG with regards to the Section 75 agreement and Cr £169k 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 and Anerley Business Centre is not expected to continue beyond 2016/17.
- Extra income on other Investment properties of Cr £90k is projected due to a higher level of occupancy this financial year and rent reviews.

Summary of variations within Investment Income		£000
Income from Investment Fund properties		777
Glades rent share		50
Yeoman House	Cr	68
Income from tenancies at Anerley Business Centre	Cr	169
Variations in income due to rent reviews and new tenancies	Cr	90
Total Variation		500

21. Other Rental Income - Other Portfolios Dr £3k

There is a shortfall of income of Dr £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 Cr £64k and other miscellaneous variations that total Cr £22k.

22. Repairs & Maintenance (All LBB) Cr £113k

An underspend of Cr £113k is forecast for Repairs & Maintenance related to the reconstruction works of the Central Depot wall. The work is proving to be more complex than originally anticipated, and significant repairs are required to ensure the continued stability of the wall. A request to carry forward the underspend is included in a separate report elsewhere on the Executive agenda.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive no virements have been actioned.

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			0	0		Cr 60,000
General							
Provision for unallocated inflation	1,668,000	87,800		500,200	588,000		Cr 1,080,000
Impact of Chancellor's Summer Budget 2015 on future costs	4,250,000	503,000	686,000	561,000	1,750,000	(1)	Cr 2,500,000
Increase in Cost of Homelessness/Impact of Welfare Reforms	2,983,000	760,000		223,000	983,000	(7)	Cr 2,000,000
General provision for risk/uncertainty	2,193,000	1,091,000		0	1,091,000	(4)	Cr 1,102,000
Provision for risk/uncertainty relating to volume and cost pressures	2,182,000			391,000	391,000		Cr 1,791,000
Impact of conversion of schools to academies	1,137,000	216,000		500,000	716,000	(2)	Cr 421,000
Retained Welfare Fund	450,000		100,000	0	100,000		Cr 350,000
Deprivation of Liberty	184,000	66,000		32,000	98,000	(7)	Cr 86,000
Growth for Waste Services	267,000			0	0		Cr 267,000
Grants to Voluntary Organisations - pump priming funding	275,000			0	0		Cr 275,000
Other Provisions	293,000			293,000	293,000		0
Acquisition of residential properties	Cr 457,000			0	0		457,000
HR/Finance impact of academy conversions	Cr 69,000	Cr 40,700		0	Cr 40,700	(1)	28,300
Care Act provision for additional costs	750,000			0	0		Cr 750,000
Care Act Funding	Cr 750,000	Cr 750,000		0	Cr 750,000	(1)	0
Community Libraries (2016/17 savings not achieved)	0	250,000		0	250,000	(6)	250,000
Contribution to costs clearance Waste 4 Fuel site	0	300,000		0	300,000	(5)	300,000
Environmental Initiatives Fund	0	500,000		0	500,000	(9)	500,000
Planning/Planning Enforcement	0	250,000		0	250,000	(9)	250,000
Apprenticeship Scheme	0	200,000		0	200,000	(9)	200,000
Contribution to Growth Fund	0		4,000,000	0	4,000,000		4,000,000
	15,416,000	3,433,100	4,786,000	2,500,200	10,719,300		Cr 4,696,700
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	781,000				0		Cr 781,000
Grant related income	Cr 781,000				0		781,000
Lead Local Flood Authorities							
Grant related expenditure	213,000	213,000		0	213,000	(3)	0
London SEND Regional Lead Grant							
Grant related expenditure		27,522		0	27,522	(6)	27,522
Grant related income		Cr 27,522		0	Cr 27,522		Cr 27,522
Community Housing Fund							
Grant related expenditure		31,204		0	31,204		31,204
Grant related income		Cr 31,204		0	Cr 31,204		Cr 31,204
High Needs Strategic Planning Fund							
Grant related expenditure		139,624		0	139,624	(8)	139,624
Grant related income		Cr 139,624		0	Cr 139,624		Cr 139,624
Total Grants	213,000	213,000	0	0	213,000		0
TOTAL CARRIED FORWARD	15,629,000	3,646,100	4,786,000	2,500,200	10,932,300		Cr 4,696,700

Notes:

- (1) Executive 13th January 2016
- (2) Executive 23rd March 2016
- (3) Executive 15th June 2016
- (4) Executive 20th July 2016 & 11th January 2017
- (5) Executive 2nd September 2016
- (6) Executive 18th October 2016
- (7) Executive 30th November 2016
- (8) Executive 11th January 2017
- (9) Council 1st March 2017

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	3,646,100	4,786,000	2,500,200	10,932,300		Cr 4,696,700
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	(3)	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	(3)	0
- income	Cr 300,000	Cr 300,000		0	Cr 300,000		0
Better Care Fund							
- expenditure	381,360	381,360		0	381,360	(3)	0
- income	Cr 381,360	Cr 381,360		0	Cr 381,360		0
Winter Resilience Funding 2014/15 (Bromley CCG)							
- expenditure	351,480			0	0		Cr 351,480
- income	Cr 351,480			0	0		351,480
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			0	0		Cr 40,000
- income	Cr 40,000			0	0		40,000
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		0	132,323	(3)	0
- income	Cr 132,323	Cr 132,323		0	Cr 132,323		0
Tackling Troubled Families							
- expenditure	1,172,184	748,000		0	748,000	(8)	Cr 424,184
- income	Cr 1,172,184	Cr 748,000		0	Cr 748,000		424,184
Step Up to Social Work							
- expenditure	72,159			0	0		Cr 72,159
- income	Cr 72,159			0	0		72,159
Public Health							
- expenditure	292,700			15,000	15,000		Cr 277,700
- income	Cr 292,700			Cr 15,000	Cr 15,000		277,700
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	(5)	0
- income	Cr 41,687	Cr 41,687		0	Cr 41,687		0
New Homes Bonus - Regeneration							
- expenditure	181,571	181,571		0	181,571	(5)	0
- income	Cr 181,571	Cr 181,571		0	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	0	80,000		0
- income	Cr 80,000		Cr 80,000	0	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	0	15,000		0
- income	Cr 15,000		Cr 15,000	0	Cr 15,000		0
Early Years Grant							
- expenditure	14,800			0	0	Cr	14,800
- income	Cr 14,800			0	0		14,800
Public Protection & Safety							
Domestic Abuse							
- expenditure	60,610			0	60,610	(4)	0
- income	Cr 60,610	Cr 60,610		0	Cr 60,610		0
Environment Portfolio							
Drainage/Lead Flood Grant							
- expenditure	69,482			0	69,482	(2)	0
- income	Cr 69,482	Cr 69,482		0	Cr 69,482		0
WEEE Grant							
- expenditure	13,090			0	13,090	(2)	0
- income	Cr 13,090	Cr 13,090		0	Cr 13,090		0
General							
YOS Service Strategy Review	97,000	97,000		0	97,000	(9)	0
Consultancy Support (Place Planning & Schools)	40,000		40,000	0	40,000		0
Parking - Automated Cameras - Bus Lanes	180,000			0	0	(2) Cr	180,000
Parking - Automated Cameras - Non Bus Lanes	126,000			0	0	(2) Cr	126,000
Local Plan Implementation	47,322	47,322		0	47,322	(5)	0
Biggin Hill Airport - Noise Action Plan	54,870	54,870		0	54,870	(5)	0
Biggin Hill Memorial Museum	47,400	47,400		0	47,400	(5)	0
IT - BT Transition Costs	77,000	77,000		0	77,000	(6)	0
IT upgrade at Anerley Business Centre	30,000	30,000		0	30,000	(6)	0
Transparency Agenda	14,000	14,000		0	14,000	(6)	0
Staff Merit Awards	89,170	89,170		0	89,170	(6)	0
Residential Property Acquisitions (SPV) - Advice	291,000	291,000		0	291,000	(6)	0
Civic Centre Development Strategy	257,500		257,500		257,500		0
Contracts Register/Summaries Database	50,000	50,000		0	50,000	(6)	0
	1,401,262	797,762	297,500	0	1,095,262		Cr 306,000
Total Carried Forward from 2015/16	1,401,262	797,762	297,500	0	1,095,262		Cr 306,000
GRAND TOTAL	17,030,262	4,443,862	5,083,500	2,500,200	12,027,562		Cr 5,002,700

Notes:

- (1) Executive 23rd March 2016
- (2) Environment PDS 7th June 2016
- (3) Care Services PDS Committee 28th June 2016
- (4) Public Protection & Safety PDS 29th June 2016
- (5) Renewal & Recreation PDS 5th July 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 Executive 30th November 2016
- (9) Executive 30th November 2016

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 has been included in the financial forecast for the 2017/18 budget. It is assumed this will be drawn down from contingency in due course.
SEN Transport	3,510	656	SEN Transport carries Children with special needs to and from school. Over the last few years there has been an increasing pressure on the budget. The causes of this include the new contract that was agreed in 2015/16 and the change in the age profile of the children to a younger age range that requires shorter travel time and more care during the trip. The full year effect of the pressures are £755k
Housing Needs - Temporary Accommodation	7,110	Cr 275	The full year effect of the projected overspend is currently anticipated to be a pressure of £146k 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 is expected to be covered by a contingency bid during 2017/18 as has been the case for a number of years.
Assessment and Care Management - Care Placements	19,417	1,216	The full year impact of the current overspend is estimated at Dr £1,519k, mainly in relation to domiciliary care packages.
Learning Disabilities - Care Placements and Care Management	30,405	549	The full year effect is estimated at an overspend of £514k 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 will continue to vary as the year draws to a close and remaining assumptions are replaced with actual activity. The full year effect in this report does not include any planned activity beyond 31/3/17.
Mental Health - Care Placements	5,881	Cr 48	There is currently a full year overspend of £168k anticipated on Mental Health. The 2016/17 position is an underspend because of non-recurrent variations relating to prior years and the underlying trend is one of upward cost pressures, including reduced joint funding contributions.
Supporting People	1,051	93	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	27,361	3,691	The current full year effect impact for CSC is estimated at £2,280k. This can be analysed as Dr £729k on placements, Cr £70k for no recourse to public funds clients, Dr £961k on leaving care clients and Dr £660k on Care Proceedings (Public Law Outline)
Investment income	Cr 9,542	500	Although a deficit of £500k is projected for rental income from Investment properties, 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.
Waste	17,506	Cr 498	A full time 5th vehicle and a part time 6th vehicle will be required for the Green Garden Waste service next year which will absorb most of the underspend/extra income. The level of defaults for the collection contract is not expected to continue in future years.

Description	2016/17 Latest Approved Budget £'000	Variation To 2016/17 Budget £'000	Potential Impact in 2017/18
Parking	Cr 7,081	Cr 332	The increase in contraventions for bus lanes and parking is not expected to continue into future years (Cr £414k). Should all of the sites for additional pay and display parking bays be introduced/progressed, there is not expected to be a deficit in future years. The vacant posts within the shared service will either be filled or deleted following the staffing review that will be undertaken during the year. No full year effect is therefore projected for these variances.

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	Service	Income £000	Expenditure £000	Transfers to/(from) Capital £000	Actual as at 31 Dec 2016 £000
<u>Restated Revenue</u>					<u>Revenue</u>
374	Highway Improvement Works	167	-	-	541
45	Road Safety Schemes	-	-	-	45
151	Local Economy & Town Centres	-	-	(106)	45
76	Parking	3	3	-	76
1,143	Healthcare Services	73	521	-	695
10	Community Facilities (to be transferred to capital)	-	-	-	10
310	Other	-	-	-	310
2,109		243	524	(106)	1,722
<u>Capital</u>					<u>Capital</u>
2,801	Education	259	-	-	3,060
5,181	Housing	233	636	-	4,778
-	Local Economy & Town Centres	-	-	106	106
81	Highway Improvement Works	1	-	-	82
8,063		493	636	106	8,026
10,172		736	1,160	-	9,748