

Decision Maker: Executive Council

Date: 20th June 2017
26th June 2017

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL FINAL ACCOUNTS 2016/17

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Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report considers the 2016/17 provisional outturn at portfolio level and Council wide as well as the potential implications for the Council's financial position in 2017/18. The purpose of the report is to give a broad overview of the financial outturn.
- 1.2 The 2016/17 provisional outturn provides for no variation in general fund balances, subject to the recommendations in this report being agreed.
- 1.3 More detailed reports will be submitted to individual PDS Committees and the Education Budget Sub-Committee. Details of the carry forward requests and a summary of the Council's capital programme are also considered in the report.
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2. **RECOMMENDATION(S)**

2.1 **Executive are requested to:**

- (a) **consider the provisional revenue and capital outturns for the 2016/17 financial year and the earmarked balances on the General Fund as at 31st March 2017;**
- (b) **note that a more detailed analysis of the 2016/17 final outturn will be reported for each Portfolio to the Relevant PDS committees;**
- (c) **consider the variations in 2016/17 impacting on the Council's 2017/18 financial position;**

- (d) consider the comments from the Deputy Chief Executive and Executive Director of Education, Care and Health Services and from the Executive Director of Environment and Community Services as detailed in Appendix 1B;**
- (e) note the carry forwards of £113k relating to repairs and maintenance, as detailed in Appendix 5;**
- (f) approve the requests for carry forwards totalling £560k (net) as detailed in Appendix 5, subject to the funding being allocated to the Central Contingency to be drawn down on the approval of the relevant Portfolio Holder;**
- (g) agree to release a total of £573k funding from Central Contingency as detailed in para 3.2.1;**
- (h) note the return to the Central Contingency of £88k as detailed in para 3.2.2;**
- (i) note the Prior Year Adjustments totalling £66k as detailed in section 3.4;**
- (j) agree that a sum of £855k be set aside in an earmarked reserve for Children's Social Care Recruitment and Retention, as detailed in para 4.5.1;**
- (k) agree that a sum of £147k be set aside in an earmarked reserve for external professional advice, as detailed in para 4.5.2;**
- (l) agree that a sum of £468k be transferred to the Winter Pressures earmarked reserve, as detailed in para 4.5.3;**
- (m) recommend to Council the transfer of £3,311k to the Growth Fund as detailed in section 4.2;**
- (n) recommend to Council the transfer of £2m to the Joint Initiatives and Pump Priming (BCF) earmarked reserve as detailed in section 4.4.**

2.2 Council are requested to:

- (a) agree that a sum of £3,311k be transferred to the Growth Fund as detailed in section 4.2;**
- (b) agree that a sum of £2m be transferred to the Joint Initiatives and Pump Priming (BCF) earmarked reserve as detailed in section 4.4.**

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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Staff

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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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

3. Have Ward Councillors been asked for comments? N/A.
4. Summary of Ward Councillors comments: Council wide

3 COMMENTARY

3.1 Provisional Final Outturn 2016/17

3.1.1 The Resources Portfolio Plan included the target that each service department will spend within its own budget. A summary of the overall budget and the provisional outturn for 2016/17 is shown in the table below.

3.1.2 The 2016/17 provisional outturn shows no overall net movement in general fund balances, subject to approval of the contribution to the Growth Fund, as detailed in section 4.2.

Provisional Outturn on Services & Central Items	2016/17 Original Budget £'000	2016/17 Latest Budget £'000	2016/17 Provisional Outturn £'000	2016/17 Variation £'000
Portfolio				
Care Services	95,135	95,813	100,353	4,540
Education	5,245	6,167	6,058	Cr 109
Environment	31,203	31,648	30,786	Cr 862
Public Protection & Safety	1,948	1,911	1,880	Cr 31
Renewal & Recreation	8,953	9,253	8,961	Cr 292
Resources	46,354	49,410	48,681	Cr 729
Total Controllable Budgets	188,838	194,202	196,719	2,517
Capital Charges and Insurance	11,521	Cr 2,662	Cr 2,662	0
Non General Fund Recharges	Cr 772	Cr 789	Cr 789	0
Total Portfolio Budgets	199,587	190,751	193,268	2,517
Adj. for carry forwards from 2016/17 to 2017/18	0	0	560	560
Capital, Insurance & Pension a/c requirements	Cr 10,203	3,997	4,045	48
Total Portfolio Budgets (adj. for carry forwards and accounting requirements)	189,384	194,748	197,873	3,125
Contingency Provision	15,629	3,657	0	Cr 3,657
Income from Investment Properties	Cr 9,542	Cr 9,542	Cr 9,302	240
Interest on General Fund Balances	Cr 3,491	Cr 3,491	Cr 4,162	Cr 671
Contribution to Investment Fund	7,402	7,402	7,482	80
Contribution to Transition Fund	2,068	2,068	2,068	0
Set Aside Prior Year Collection Fund Surplus	4,912	4,912	4,912	0
Contribution to Growth Fund	0	4,000	4,000	0
Further Contribution to Growth Fund (subject to approval)	0	3,311	3,311	0
Contribution to Other Reserves	0	1,207	1,354	147
LRB receipt	0	0	Cr 37	Cr 37
Levies	1,384	1,384	1,384	0
Total Central Items	18,362	14,908	11,010	Cr 3,898
Total Variation on Services and Central Items	207,746	209,656	208,883	Cr 773
Prior Year Adjustments	0	0	Cr 66	Cr 66
Total Variation	207,746	209,656	208,817	Cr 839
Carry forwards from 2016/17 to 2017/18	0	0	Cr 560	Cr 560
Net Variation (after allowing for carry forwards)	207,746	209,656	208,257	Cr 1,399

3.1.3 A detailed breakdown of the Latest Approved Budgets and Provisional Final Outturn across each Portfolio, together with an analysis of variations, is shown in Appendix 2.

3.1.4 Chief Officer comments are included in Appendix 1B.

3.2 Central Contingency Sum

3.2.1 The 2016/17 Central Contingency contained various provisions which reflected uncertainty around potential costs, grants and service pressures. There is a total net variation of £3.7m relating to provisions that were not required in the 2016/17 financial year, subject to the approval to release a net total of £573k as detailed below and a further contribution to the Growth Fund. Further details of the allocations from, and variations in, the 2016/17 Central Contingency are included in Appendix 3.

	£'000
(a) Reduction in Education Services Grant	454
(b) Staff Merit Awards	119
(c) Winter Resilience Funding	468
(d) Tackling Troubled Families	424
(d) Step Up to Social Work	72
	1537
Grant Income	Cr 964
Net Expenditure	573

- (a) as a result of the 9 academy conversions that occurred during 2016/17, there is a shortfall of income on the Education Services Grant budget of £454k. The effect of the reduction in grant has been included in the Central Contingency and it is requested that this amount be drawn down and allocated to the Education Portfolio.
- (b) as part of the introduction of Localised Pay, Members agreed a merited reward for exceptional performers and a provision of £200k was included in the Central Contingency. A request is made to drawdown £119k to fund the expenditure for the rewards in 2016/17. The remaining balance of £81k has been included in the carry forward requests as detailed in appendix 5.
- (c) the Council has received Winter Pressure funding, via the CCG, for support of social care to assist in discharges from hospital. It is recommended that this funding be allocated to the Care Services Portfolio to be set aside with other funding in the existing earmarked reserve specifically ring-fenced for these purposes (para 4.5.3). The funding will be utilised to assist in discharges from hospital during the winter period if current funding streams are insufficient.
- (d) it is proposed to set aside some of the funding from the Tackling Troubled Families and Step Up to Social Work grants to deal with recruitment and retention issues within Children's Social Care, particularly around the recruitment and retention of social workers (para 4.5.1). Recently this has been an issue for Bromley and this funding will help to alleviate this through elements such as golden hello payments, market premiums and retention payments. Grant funding is still available for the Tackling Troubles Families project and Step Up to Social Work programme in future years.

3.2.2 In addition, the sum of £88k relating to Homelessness Pressures has been returned to the Central Contingency. Funding of £760k was previously agreed to be drawn down to support the growing numbers of homeless cases presenting themselves and to cover the costs of temporary accommodation. Towards the end of the financial year, although the numbers have increased, the overall cost has reduced slightly so not all of the funding was required in-year.

3.2.3 It is proposed that the overall underspends remaining, including those in the Central Contingency, will be utilised to provide one-off funding for the Council's Growth Fund to provide investment for economic development. Economic development is a key priority for the Council, creating employment opportunities and generating additional income through business rate growth, investment income and new homes bonus. This report recommends a further contribution of £3.3m to the Growth Fund from underspends in the Central Contingency, as set out in section 4.2.

3.2.4 After allowing for the allocations set out above, and the further contribution to the Growth Fund, the net variation on the Central Contingency is an underspend of £3.7m. These monies are required to be set aside to fund the net overspend within Portfolio budgets to avoid a draw down on reserves to fund in-year cost pressures.

3.3 General Fund Balances

3.3.1 Subject to approval of the proposals detailed in this report, and taking account of the final outturn on Portfolio budgets and Central Items, there will be no variation to the level of general reserves as at 31st March 2017 as detailed below:

	2016/17 Provisional Outturn £'000	
General Fund Balance as at 1st April 2016	Cr	20,000
Net Variations on Services & Central Items (para 3.1)	Cr	1,399
Variations in Business Rates Retention Scheme and General Government Grants	Cr	303
	Cr	21,702
Adjustments to Balances:		
Carry Forwards (funded from underspends in 2015/16)		1,702
General Fund Balance as at 31st March 2017	Cr	20,000

3.4 Prior Year Adjustments resulting in a Net Credit Provision in the Accounts of £66k

3.4.1 As referred to in the last budget monitoring report, provisions made in prior years relating to the transfer of ICT support from Capita to BT and for the localisation of terms and conditions are no longer required and have therefore been released in 2016/17 resulting in a credit of £185k.

3.4.2 A bad debt provision was previously set aside for unpaid invoices relating to housing benefit administration penalties. A significant proportion of this related to penalties that were raised in advance of the overpayment being settled. Following a review of outstanding invoices, £80k of the provision is no longer required and has therefore been released in 2016/17.

- 3.4.3 In 2015/16 a total of £299k was set aside to fund external professional advice relating to the SPV for the acquisition of residential properties to provide temporary accommodation for homeless families. This included specialist accounting and taxation advice as well as legal and actuarial fees relating to both the SPV arrangements and the 'gifting' to the pension fund. Due to the nature and timing of the scheme, Executive agreed that £291k be carried forward into 2016/17 to meet the specialist advice required to finalise arrangements. A total of £144k has been incurred during 2016/17 and it is requested that the balance of £147k be set aside as an earmarked reserve to fund any further external specialist advice (legal, accounting, taxation and actuarial) that may be required to support future schemes (para 4.5.2).
- 3.4.4 The Council was successful in recovering £16k from HMRC following submission of a backdated claim for VAT on car parking overpayments.
- 3.4.5 In 2015/16 a provision of £28k was made for potential payments due to Appointeeship and Deputyship clients. These claims have now been closed and the provision is no longer required.
- 3.4.6 During 2016/17, actual costs incurred for the clearance and disposal of the waste at this site was £2.935m which was £226k more than the capital funding available. A contribution was made from revenue to meet these additional costs. Options are being considered to recover the additional expenditure including seeking counsel's advice.
- 3.4.7 A credit of £147k relates to backdated Council Tax benefit adjustments which, under the new Council Tax Support Scheme, do not result in a corresponding reduction in subsidy.
- 3.4.8 In line with standard accounting practice, feasibility costs that do not result in a capital scheme being progressed are required to be charged to revenue budgets. A total of £311k was charged in 2016/17 to reflect the cost of feasibility works previously undertaken for various multi-story car parks. Although part of the capital programme, and this relates to a period of years, any costs that do not result a scheme progressing will need to be charged to the Council's revenue accounts. This results in a corresponding reduction in eligible capital programme expenditure.
- 3.4.9 A summary is shown in the table below:

	£'000
Core IT Contract	(116)
Localised Terms & Conditions	(69)
Housing Benefit Admin. Penalties	(80)
External Professional Advice	(147)
HMRC VAT Recovery	(16)
Appointeeship & Deputyship	(28)
Waste 4 Fuel	226
Council Tax Benefit Adjustments	(147)
Feasibility Studies	311
Total	(66)

3.5 Impact on Future Years

- 3.5.1 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	20,946	1,223
Learning Disabilities - Care Placements & Care Management	30,402	672
Mental Health - Care Placements	5,807	Cr 118
Housing Needs	7,128	146
Supporting People	1,051	Cr 72
Children's Social Care	27,533	2,665
		4,516
Education Portfolio		
SEN and Inclusion	5,090	755
		755
Public Protection & Safety Portfolio		
Mortuary & Coroners Service	395	50
		50
TOTAL		5,321

- 3.5.2 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.

- 3.5.3 Further details, including action to be taken to contain future cost pressures, are included in Appendix 4.

3.6 Interest on Balances

- 3.6.1 The 2016/17 budget included an additional £1,250k to reflect increased interest earnings being achieved from increased limits for the two part-nationalised banks (Lloyds and RBS), higher rates from longer-term deals placed with other local authorities, higher average balances and the strong performance of the CCLA Property Fund. 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 (£3,491k budget compared to £2,741k in 2015/16).
- 3.6.2 In the last budget monitoring report to Executive, it was estimated that the 2016/17 outturn for interest earnings would be around £450k above budget. This has increased slightly to £671k above budget (final outturn £4,162k) mainly due to higher than anticipated balances available for investment. However, the anticipated lower rates that will be available for maturing investments, further utilisation of the investment fund and growth fund and the Highways Investment capital scheme are expected to reduce interest earnings during 2017/18 and, as a result, a reduction of £600k has been included in the 2017/18 budget.
- 3.6.3 The Council's performance on treasury management is in the top 10% among local authorities. Details of the Treasury Management Annual Investment Strategy for 2017/18 were reported to Council on 1st March 2017. The Treasury Management Annual Report for 2016/17 will be reported to Executive and Resources PDS Committee on 14th June 2017.

3.7 Income from Investment Properties

- 3.7.1 There was an overall shortfall of income on Investment Fund properties of £650k which mainly reflects slippage in the acquisition programme. To date a total of 19 investment properties have been purchased for a cost of £93.5m which should deliver an annual rental income of £5.7m from 2017/18. This is partially offset by additional income received from other investment properties, as shown in the table below, resulting in a net shortfall of investment income of £240k.

Summary of Variations	£'000
Income from Investment Fund Properties	650
Glades Rent Share	Cr 106
Yeoman House	Cr 68
Income from tenancies at Anerley Business Centre	Cr 180
Rent Reviews and New Tenancies	Cr 56
Total Variation	240

4 EARMARKED RESERVES

- 4.1 As reported to the Executive previously, the Council has reduced its level of general reserves (general fund reserves in 1997 were £131 million). Part of the reduction reflects funding directed towards the Growth Fund and the Investment Fund. These funds will help support the achievement of sustainable savings and income to the Council.

4.2 Growth Fund

- 4.2.1 A key priority for the Council is economic development and inward investment which was reflected in the Local Plan reported to Executive in February 2013. Supporting economic growth and new investment creates employment opportunities, potentially reduces the cost of council tax support and generates income through business rates, new homes bonus and other investment opportunities.
- 4.2.2 Members approved an initial allocation of £10m to be ring-fenced for investments which support growth in the Biggin Hill area (£3.5m), Cray Corridor (£3.5m) and Bromley Town Centre (£3m). There are further opportunities to support economic development and, although the devolution of business rates to local government is expected to be cost neutral, it will provide an opportunity to generate additional income through the uplift in business rate income as the Council will retain a higher share. Generating additional income will become more critical as the Council will lose core government funding in the future.
- 4.2.3 Following consideration by the Executive on 2nd December 2015, Council approved that £6.5m of the 2015/16 underspend on services and the Central Contingency be transferred to the Growth Fund. Further transfers of £6m, £7m and £4m in one-off funding were agreed by Council following consideration by the Executive on 23rd March 2016, 15th June 2016 and 22nd March 2017 respectively.

- 4.2.4 The Council will continue to seek opportunities to invest in growth and economic development and a “Growth Fund Review” was reported to the Executive on 18th May 2016. This report sought to provide a strategic review of growth projects and set out a series of proposed recommendations for the next stage of the work programme. The report also identified significant opportunities available, subject to the necessary funding being in place. On 1st November 2016, the Executive approved the acquisition of two properties, one in Orpington and one in Bromley, at a total cost of £14.5m funded through the Growth Fund.
- 4.2.5 It is proposed to transfer the remainder of the underspends on the Council’s budget to the Growth Fund. As set out in para.3.2.3, this would result in the transfer of a further £3.3m into the Growth Fund for 2016/17. A detailed analysis of this Fund is provided in the Capital Programme Outturn report elsewhere on the agenda. As at 31st March 2017, the uncommitted balance (after allowing for approved expenditure) was £5.0m which will increase to £8.3m should the proposed transfer be agreed.
- 4.2.6 The setting aside of this additional funding will also require the approval of Council and any future release of these monies will be subject to a detailed report to Members for approval.

4.3 Investment Fund

- 4.3.1 The Fund is used primarily for property investments to enable the Council to achieve investment income which exceeds treasury management rates and was set up with an initial allocation of £10m in 2011. Since then a further £68.4m has been added to the fund from other earmarked reserves, revenue underspends, and New Homes Bonus funding, as well as £16.2m set aside from capital receipts.
- 4.3.2 The Council’s acquisition of investment properties through utilisation of the Investment Fund has resulted in property acquisitions totalling £79.0m and generating full-year income of £4.8m per annum (£5.7m including income from the properties purchased from the Growth Fund detailed in para 4.2.4 above).
- 4.3.3 As at 31st March 2017, the uncommitted balance on the Fund stood at £8.9m (the remaining balance of the £16.2m allocation set aside from capital receipts). A detailed analysis of this Fund is provided in the Capital Programme Outturn report elsewhere on the agenda.

4.4 Better Care Fund (BCF) – Joint Schemes / Pump Priming

- 4.4.1 On 22nd February 2016, Council approved that £3.1m be set aside in 2015/16 as an earmarked reserve relating to the continuation of various joint schemes and pump priming investment. In view of the ambitious programme to deliver BCF Objectives, an element of the budget has required re-profiling into 2017/18. As a result, Members are requested to agree that a further £2m be set aside in order to allow the continuation of agreed joint schemes and to be used as pump priming investment for more cost effective delivery models across Health and Social care in Bromley.
- 4.4.2 The setting aside of this funding will also require the approval of Council and any future release of these monies will be subject to a detailed report to Members for approval.

4.5 Other Earmarked Reserves

4.5.1 CSC Recruitment and Retention:

As set out in para 3.2.1, it is proposed to set aside funding of £496k from the Tackling Troubled Families and Step Up to Social Work grants to deal with recruitment and retention issues within Children's Social Care, particularly around the recruitment and retention of social workers. Recently this has been an issue for Bromley and this funding will help to alleviate this through elements such as golden hello payments, market premiums and retention payments. In addition to this funding, there is a balance of £359k (from an original allocation of £767k) within the existing earmarked reserve for LAA Pump Priming Grant specifically relating to the recruitment and retention of social workers and it is proposed that this sum be transferred. Members are requested to agree that £855k be set aside as an earmarked reserve for Recruitment and Retention in Children's Social Care.

4.5.2 Professional Advice for Future Schemes:

As set out in para 3.4.3, there was an in-year underspend of £147k from funding set aside to meet external professional advice. It is likely that there will be a further need to commission external specialist advice in support of future schemes as required. This may include accounting and taxation advice as well as legal and actuarial fees. Members are requested to agree that this underspend be set aside as an earmarked reserve to meet such costs going forward.

4.5.3 Winter Resilience:

As set out in para 3.2.1, the Council has received Winter Pressure funding for support of social care which came via the CCG to assist in discharges from hospital. It is recommended that this funding be set aside with other funding in the existing earmarked reserve (£1,542k) to be used for these purposes during the winter period if the current funding streams are insufficient. Members are requested to agree that £468k be set aside in the Winter Pressures earmarked reserve.

4.5.4 A summary of the actual balances as at 31st March 2017 on the earmarked reserves set out above and all other earmarked reserves is provided in Appendix 6. An analysis of the Invest to Save Fund is also provided in Appendix 9.

5 CONTINGENT LIABILITIES AND PROVISIONS

5.1 Details of contingent liabilities and provisions will be included in the draft statement of accounts which will be available for audit at the end of June. Large provisions as at 31st March 2017 include backdated business rates appeals (£2.9m), unsettled insurance claims (£1.7m) and NNDR and Council Tax credit balances (£2.9m).

6 CAPITAL EXPENDITURE AND RECEIPTS

6.1 Capital Expenditure:

6.1.1 The final capital outturn (actual expenditure) for the year was £53.0m, compared with the original estimate of £82.7m approved by the Executive in February 2016 and with the latest approved budget of £59.9m agreed in February 2017 (adjusted for the further £6.2m approved in March 2017 for a further property acquisition).

6.1.2 At that time, further slippage of £3.5m was assumed for capital financing purposes so the overall variation in the capital financing requirement (capital receipts, government grants, other external contributions and revenue contributions) is £3.4m, the majority of which was due to slippage of expenditure into later years. Further details are included in the capital outturn report elsewhere on this agenda.

6.2 Capital Receipts:

6.2. Under the “prudential” capital system in operation from 1st April 2004, most capital receipts are “useable” and may be applied to finance capital expenditure. Available capital receipts totalled £34.0m, including an unapplied balance of £29.6m brought forward from 2016/17. A total of 9.9m was applied in 2016/17 and a balance of £24.1m has been carried forward to finance capital expenditure in future years. No capital contribution from the General Fund was required in 2016/17. Further details are included in the capital outturn report elsewhere on this agenda.

7 TREASURY MANAGEMENT - BORROWING AND INVESTMENT

7.1 The Authority’s borrowing and investments have been reported quarterly to the Executive and Resources PDS Committee and the Resources Portfolio holder during 2016/17. The final outturn report (including details of activity in the 4th quarter) will be considered by the Executive and Resources PDS Committee on 14th June 2017. The Council had no temporary borrowing outstanding as at 31st March 2017, and the balance of investments (including accrued interest) stood at £272.1m. As at 31st March 2016 there was £24.4m of temporary borrowing and £288.2m total investments.

7.2 Further details will be provided in the Treasury Management Annual Report to Executive and Resources PDS Committee on 14th June 2017.

8 SECTION 106

8.1 An update on balances as at 31st March 2017 is included in Appendix 7 of this report. Further details on the arrangements for utilising Section 106 monies will be provided in the “Section 106 Agreements: Update” report to Executive and Resources PDS Committee on 13th July 2017.

9 THE SCHOOLS BUDGET

9.1 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.

9.2 There is a total in-year underspend of £226k on DSG funded services, with a total to carry forward to 2017/18 of £1.6m. Subject to approval, surplus funds may be given to schools as a one off payment, carried forward centrally to offset any future unknown pressures, or a combination of the two. Further details of the in-year variation and plans for spending some of the amount carried forward are provided in Appendix 8.

10 ACADEMIES

10.1 During the 2016/17 financial year 9 schools have converted to academy status.

10.2 The impact of these arrangements is that when schools convert to academy status their balances are removed from the accounts as the schools are autonomous and no longer under the Council's control and therefore have their own financial arrangements in place. This generally results in a reduction in maintained balances. During 2016/17 total balances have reduced from £4,017k to £2,621k.

10.3 Further details of schools' balances are provided in Appendix 8.

11 COLLECTION FUND

11.1 It is a statutory requirement to maintain a Collection Fund at arm's length from the remainder of the Council's accounts. The Fund is credited with income from Council Tax and Business Rates and charged with sums payable to the Council, GLA and Central Government.

11.2 There is a Council Tax surplus on the fund in 2016/17 of £9.8m. The surplus income is mainly due to good debt recovery levels despite the previous recessionary period, an increase in new properties in the borough and the successful impact of action following the data matching exercise on single person discounts. The financial impact of the council tax support scheme was also lower than budgeted. A one-off sum of £2.0m will be allocated to the GLA and £7.8m to the Council in 2018/19.

11.3 There is an overall deficit of £0.6m relating to the collection and distribution of Non Domestic Rates under the Business Rates Retention Scheme. This is mainly due to downward revaluations of properties during the year and an increase in the provision for outstanding appeals based on information from the Valuation Office Agency. This highlights the challenges of predicting accurate levels of retained business rates under the new scheme and the volatility of projections arising from successful appeals. Of the 2016/17 deficit, £0.3m will be allocated to Central Government, £0.1m to the GLA and £0.2m to Bromley. In accordance with statutory provisions, this will be distributed in 2018/19.

11.4 The volatility arising from the level of downward revaluations and outstanding appeals provides a significant challenge in accurately forecasting the level of business rates income that the Council can retain and there may well be further volatility during 2017/18 and in future years.

11.5 A further complexity arises from the timing of income with a requirement for business rates to be accounted for through the Collection Fund. This means that in-year surpluses or deficits are distributed in either of the following two years, depending on when they are provisionally estimated, with any resulting variations from those provisional estimates being adjusted in the subsequent year.

11.6 In addition, funding provided by way of Section 31 grant to compensate authorities for reduced rating income associated with business rates measures announced in the 2013, 2014 and 2015 Autumn Statements are allocated directly to the general fund in the year they are due. This can result in the Collection Fund having an in-year surplus or deficit (which will impact on the general fund in a future year) whilst the general fund has an in-year variation relating to the receipt of these grants and the distribution of prior year Collection Fund variations.

11.7 The overall impact in 2016/17 is a deficit of £0.6m on the collection fund as detailed in para. 11.3 (£0.2m of which will be distributed to the Council in 2018/19) and a net credit variation in the Council's general fund of £0.6m mainly relating to section 31 grant income.

12 FINANCIAL CONTEXT

- 12.1 The 2017/18 Council tax report identified the latest financial projections and a future year budget gap due to the impact of inflation, service and cost pressures and ongoing significant reductions in government funding. More details were reported in the “2017/18 Council Tax” report to Executive in February.
- 12.2 The provisional 2016/17 outturn identifies net overspends within portfolio budgets offset by underspends from prior year adjustments and the Council’s central contingency. In addition there are improved investment returns from changes to the treasury management strategy. The underspends from the central contingency sum mainly relate to ongoing action to contain growth pressures where possible, stringent cost controls, management of risk and effective use of government funding.
- 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 reflect any inherent risks, the potential impact of new burdens, population increases or actions taken by other public bodies which could affect the Council. The approach has also been one of “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.
- 12.4 The 2017/18 Council Tax report identified a budget gap of £23.6m per annum by 2020/21. Additional funding of £5.2m was included in the 2017/18 budget for Children’s Social Care and £2.2m for Education SEN and Adult Social Care to mainly reflect the impact of in-year overspends and additional staffing (Children’s Social Care). The financial forecast and budget will be affected by inflation, changes in government funding and new burdens and realistically any future year overspends will need to be funded from alternative savings. It is therefore important to ensure that action is taken, where possible, to contain costs within budget which also mitigates against the risk of the Council’s budget gap increasing further which would increase the savings required in future years.
- 12.5 The Council’s general reserves remain at £20m, whilst a future years “budget gap” continues. However there is flexibility in the Council’s overall resources (including earmarked reserves) to allow this position to be revised in the future. The approach to reserves was reported in the 2017/18 Council Tax report to Executive in February 2017.

13 STATUTORY ACCOUNTS

- 13.1 The audited statutory accounts for 2016/17 will be reported to the General Purposes and Licensing Committee meeting on 12th September 2017, which meets the statutory deadline of 30th September 2017 for reporting accounts under the Accounts & Audit Regulations 2015.

14 IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 14.1 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.

15 POLICY IMPLICATIONS

- 15.1 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.
- 15.2 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 2017/18 to minimise the risk of compounding financial pressures in future years.
- 15.3 Chief Officer’s comments are included in Appendix 1B.

16 FINANCIAL IMPLICATIONS

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

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	2017/18 Council Tax – Executive 8 th February 2017; Budget Monitoring Reports in 2016/17 – Executive; Financial Management Budget Monitoring files across all Portfolios; 2016/17 Budget Monitoring file held by Technical and Control Finance Section; Provisional final Accounts - Executive 15 th June 2016; Draft 2016/17 Budget and Update on Council’s Financial strategy 2017/18 to 2019/20 - Executive 13 th January 2016; Capital Programme Outturn 2016/17 (elsewhere on the agenda).

GENERAL FUND - PROVISIONAL OUTTURN FOR 2016/17

Portfolio	2016/17 Original Budget £'000	Budget Variations allocated in year # £'000	2016/17 Final Approved Budget £'000	2016/17 Provisional Final Outturn £'000	Variation £'000	Variation previously reported to Exec 22/03/17 £'000
Care Services	95,135	678	95,813	100,353	4,540	4,657
Education (incl. Schools' Budget)	5,245	922	6,167	6,058	Cr 109	75
Environment	31,203	445	31,648	30,786	Cr 862	Cr 822
Public Protection & Safety	1,948	Cr 37	1,911	1,880	Cr 31	9
Renewal and Recreation	8,953	300	9,253	8,961	Cr 292	Cr 353
Resources	46,354	3,056	49,410	48,681	Cr 729	Cr 374
Total Controllable Budgets	188,838	5,364	194,202	196,719	2,517	3,192
Capital, Insurance & Pensions Costs (see note 2)	11,521	Cr 14,183	Cr 2,662	Cr 2,662	0	0
Non General Fund Recharges	Cr 772	Cr 17	Cr 789	Cr 789	0	0
Total Portfolios (see note 1)	199,587	Cr 8,836	190,751	193,268	2,517	3,192
Adj for Carry Forwards from 2016/17 to 2017/18	0	0	0	560	560	0
Capital, Insurance & Pension Accounting Requirements	Cr 10,203	14,200	3,997	4,045	48	0
	189,384	5,364	194,748	197,873	3,125	3,192
Central Items:						
Income from Investment Properties	Cr 9,542	0	Cr 9,542	Cr 9,302	240	500
Interest on General Fund Balances	3,491	0	Cr 3,491	Cr 4,162	Cr 671	Cr 450
Total Investment Income	Cr 13,033	0	Cr 13,033	Cr 13,464	Cr 431	50
Contingency Provision (see Appendix 3)	15,629	Cr 11,972	3,657	0	Cr 3,657	Cr 5,003
Other central items						
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
LRB Receipts	0	0	0	Cr 37	Cr 37	0
Subject to approval Executive 20th June 2017						
Professional Advice - Future Schemes	0	0	0	147	147	0
Contribution to Growth Fund	0	3,311	3,311	3,311	0	0
Total other central items	15,766	8,518	24,284	24,474	190	80
Carry Forwards from 2016/17 to 2017/18	0	0	0	Cr 560	Cr 560	0
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	Cr 116
Audit Bad Debt Provision	0	0	0	Cr 80	Cr 80	0
Legal, Professional and Accounting Advice (SPV)	0	0	0	Cr 147	Cr 147	0
HMRC VAT Recovery	0	0	0	Cr 16	Cr 16	0
Appointeeship & Deputyship	0	0	0	Cr 28	Cr 28	0
Waste 4 Fuel	0	0	0	226	226	0
Backdated Council Tax Benefit Adjustments	0	0	0	Cr 147	Cr 147	0
Parking Feasibility Study Costs (MSCP)	0	0	0	311	311	0
Total Prior Year Adjustments	0	0	0	Cr 66	Cr 66	Cr 185
Total all central items	18,362	Cr 3,454	14,908	10,384	Cr 4,524	Cr 5,058
Bromley's Requirement before balances	207,746	1,910	209,656	208,257	Cr 1,399	Cr 1,866
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	0	0	224
Revenue Support Grant	Cr 21,293	208	Cr 21,293	Cr 21,293	303	60
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 35,387	0	Cr 35,387	Cr 35,939	Cr 552	Cr 300
New Homes Bonus	Cr 7,402	0	Cr 7,402	Cr 7,482	Cr 80	Cr 80
New Homes Bonus Top Slice	Cr 986	Cr 223	Cr 1,209	Cr 880	329	320
Transition Grant	Cr 2,068	0	Cr 2,068	Cr 2,068	0	0
Local Services Support Grant	Cr 15	0	0	0	0	0
Collection Fund Surplus	Cr 4,912	0	Cr 4,912	Cr 4,912	0	0
Bromley's Requirement	135,683	0	135,683	135,683	0	0
GLA Precept	34,957	0	34,957	34,957	0	0
Council Tax Requirement	170,640	0	170,640	170,640	0	0

# Budget Variations allocated to portfolios in year consists of:	£'000
1) Carry forwards from 2015/16 (see note 3)	1,702
2) Capital, Insurance & Pension Accounting Requirements (see note 2)	Cr 14,200
3) Allocations from the central contingency provision (see Appendix 3)	3,677
4) Local Services Support grant allocated to Education	Cr 15
	Cr 8,836

1) **NOTES**

Portfolio Final Approved Budgets analysed over Departments as follows:

	2016/17 £'000	Budget £'000	2016/17 £'000	2016/17 £'000	Variation £'000	Variation £'000
Education Care & Health Services	116,280	Cr 10,145	106,135	110,550	4,415	4,788
Environment & Community Services	55,122	9,488	64,610	63,244	Cr 1,366	Cr 1,370
Chief Executive's Department	28,185	Cr 8,179	20,006	19,474	Cr 532	Cr 226
	199,587	Cr 8,836	190,751	193,268	2,517	3,192

2) **Capital, Insurance and Pension Accounting Requirements**

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.

Comments from the Deputy Chief Executive & Executive Director of Education, Care and Health Services

Care Services Portfolio

The Adult Social Care Division within the service has an overspend of £1,003k for the year. There was a very ambitious efficiency programme which saw the department realise savings of more than £8m. The department was unable to realise this additional £1,003k.

There remain pressures within the domiciliary care area, as we see increasing numbers of people supported to live at home.

Learning Disability placements are another area where pressures continue, we have in place an efficiency project looking at reviews, user expectation and community living.

Underspends in other areas supported by the Better Care Fund have been utilised within Adult Social Care to help mitigate these pressures overall.

In Children's Social Care the overspend is £3,849k. Placements, leaving care and costs of agency workers have seen costs rise. Public Law Outline (PLO) costs have increased following the Ofsted inspection and legacy cases.

To mitigate this Placement Panels are scrutinising placements and are ensuring that the CCG contribute an appropriate share of the costs. In terms of recruitment, a push is being made to recruit more staff permanently and hiring restrictions are in place to limit the costs of agency staff coming into the organisation. To mitigate the PLO early intervention and legal gateway panels should ensure work with families has taken place and we are not reactive.

In Public Health there was an overspend of £53k in controllable budgets, although this was offset by an underspend on non controllable budget charges to the Public Health Grant. Overall the service underspent by £330k in the main due to underspends in NHS health checks and substance misuse. This has been requested to be carried forward as per the grant conditions.

Housing was underspent overall although there continues to be pressures on temporary accommodation coming through the system. Universal Credit will continue to be an issue as the roll out extends, and will need to be monitored closely.

The pressure on temporary accommodation is being mitigated as far as possible by entering into agreements with organisations to increase supply wherever possible. Supporting people overspent in year. Efficiencies were made but the full year effect will not materialise until 2017/18.

Education Portfolio

The Adult Education Service overspent in year by £147k. The service has been restructured with a significant reduction in expenditure. Most of the overspend related to associated one-off costs of downsizing the service and vacating the Widmore premises. This area continued to pay business rates for the Widmore Centre since vacating the site at end of August 2016 whilst alternative uses for the site were found. This should cease once the new lease is signed with the EFA.

The two in house nurseries overspent by £95k due to lack of use/income by social care clients. There is a proposal to mitigate this.

Transport continues to see pressures emerge, although steps are being taken to address this as far as possible. Increased numbers of children with complex needs requiring EHC plans (27 per cent increase in new plans this year as compared with the previous year). There is a root and branch review of SEND currently being commissioned which will include a review of all high needs block. Members have acknowledged the pressure in SEN Transport and additional funding has been made available in 2017/18.

In Workforce development there has been a reduction in income following a restructure which resulted in a deficit position. Savings for 2017/18 will result in this area no longer contributing to overheads of the Widmore Centre.

Public Health has contributed to the Early Intervention agenda which has resulted in the Education Portfolio being in an underspend position overall.

Comments from the Executive Director of Environment and Community Services

Environment Portfolio

The Environment Portfolio has a net underspend of £862k for 2016/17. This is mainly from two areas, Waste (£501k) and Parking (£345k). Other net underspends across the Portfolio total £16k.

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.

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.

Care Services Portfolio Budget Monitoring Summary

2015/16 Actuals £'000	Division Service Areas	2016/17 Original Budget £'000	2016/17 Final Approved £'000	2016/17 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000	
EDUCATION CARE & HEALTH SERVICES DEPARTMENT									
Adult Social Care									
22,652	Assessment and Care Management	20,334	20,946	22,012	1,066	1	1,178	1,223	
2,516	Direct Services	1,241	1,209	1,119	Cr 90	2	Cr 83	0	
774	Commissioning & Service Delivery	2,700	1,170	1,258	88	3	7	0	
28,980	Learning Disabilities	30,685	30,402	31,032	630	4	549	672	
6,092	Mental Health	5,947	5,807	5,588	Cr 219	5	Cr 48	Cr 118	
Cr 312	Better Care Funding - Protection of Social Care	0	0	Cr 472	Cr 472	6	Cr 371	0	
60,702		60,907	59,534	60,537	1,003		1,232	1,777	
Operational Housing									
Cr 1	Enabling Activities	Cr 1	Cr 1	0	1	7	0	0	
Cr 2,350	Housing Benefits	Cr 1,907	Cr 1,907	Cr 2,018	Cr 111		0	0	
6,364	Housing Needs	6,354	7,128	7,128	0		Cr 201	146	
1,413	Housing funds held in contingency	1,051	0	0	0		201	0	
	Supporting People	1,051	1,051	1,107	56	8	93	Cr 72	
5,426		5,497	6,271	6,217	Cr 54		93	74	
Children's Social Care									
16,768	Care and Resources	15,978	15,838	18,047	2,209	9	2,305	2,018	
1,853	Safeguarding and Quality Assurance	1,494	2,527	2,646	119		Cr 98	0	
2,508	Social Care Referral Services	2,695	2,871	3,158	287		103	35	
3,174	Safeguarding and Care Planning	2,967	2,954	4,206	1,252		1,202	612	
1,113	Early Intervention and Family Support	998	998	991	Cr 7		9	0	
2,343	Children's Disability Service	2,342	2,345	2,334	Cr 11		Cr 2	0	
27,759		26,474	27,533	31,382	3,849		3,519	2,665	
Health Integration									
330	Health Integration Programme	0	330	206	Cr 124	10	Cr 122	0	
	Carers								
1,301	- Net Expenditure	1,434	1,434	1,142	Cr 292		Cr 250	0	
Cr 1,301	- Recharge to Better Care Fund	Cr 1,434	Cr 1,434	Cr 1,142	292		250	0	
	Information & Early Intervention								
1,187	- Net Expenditure	1,163	1,063	922	Cr 141		Cr 121	0	
Cr 1,187	- Recharge to Better Care Fund	Cr 1,163	Cr 1,063	Cr 922	141		121	0	
	Better Care Fund								
18,692	- Expenditure	19,027	20,158	20,010	Cr 148		0	0	
Cr 18,851	- Income	Cr 19,180	Cr 20,311	Cr 20,154	157		0	0	
	NHS Support for Social Care								
266	- Expenditure	0	348	320	Cr 28	0	0		
Cr 266	- Income	Cr 0	Cr 348	Cr 320	28	0	0		
171		Cr 153	177	62	Cr 115		Cr 122	0	
Strategic & Business Support Services									
242	Learning & Development	308	309	261	Cr 48	11	Cr 8	0	
1,972	Strategic & Business Support	2,279	2,164	2,000	Cr 164		Cr 91	0	
2,214		2,587	2,473	2,261	Cr 212		Cr 99	0	
Public Health									
13,578	Public Health	15,106	15,106	15,159	53	12	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 319	53		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	95,616	100,140	4,524		4,623	4,516	
2,690	TOTAL NON CONTROLLABLE	366	Cr 240	Cr 240	0		90	0	
12,835	TOTAL EXCLUDED RECHARGES	8,291	10,127	10,127	0		0	0	
110,360	TOTAL ECHS DEPARTMENT	103,597	105,503	110,027	4,524		4,713	4,516	
Environmental Services Dept - Housing									
189	Housing Improvement	195	197	213	16	13	34	0	
189	TOTAL CONTROLLABLE FOR ENV SVCES DEPT	195	197	213	16		34	0	
407	TOTAL NON CONTROLLABLE	Cr 942	Cr 1,149	Cr 1,149	0		0	0	
327	TOTAL EXCLUDED RECHARGES	320	290	290	0		0	0	
923	TOTAL FOR ENVIRONMENTAL SVCES DEPT	Cr 427	Cr 662	Cr 646	16		34	0	
111,283	TOTAL CARE SERVICES PORTFOLIO	103,170	104,841	109,381	4,540		4,747	4,516	

Reconciliation of Latest Approved Budget	£'000
2016/17 Original Budget	103,170
<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
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
Liberata - Financial Review of TPTUs	Cr 4
<i>Community Housing Fund</i>	
- expenditure	31
- income	Cr 31
National Living Wage	686
Retained Welfare Fund	100
Childrens Services Improvement Plan Phase 3	141
Merit Rewards	52
Return of Homelessness Contingency	Cr 88
<i>Winter Resilience Funding 2014/15 (Bromley CCG)</i>	
- expenditure	351
- income	Cr 351
<i>Winter Resilience Funding 2015/16 (Bromley CCG)</i>	
- expenditure	117
- income	Cr 117
<i>Tackling Troubled Families</i>	
- expenditure	424
- income	Cr 424
<i>Step Up to Social Work</i>	
- expenditure	72
- income	Cr 72
Memorandum Items	
Capital Charges	Cr 1,530
Insurance	Cr 37
Rent Income	92
Repairs & Maintenance	Cr 89
IAS19 (FRS17)	750
Excluded Recharges	85
Latest Approved Budget for 2016/17	<u>104,841</u>

REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £1,066k

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

		<u>Current Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>		
Services for 65 +	- Placements	74
	- Respite care	Cr 42
	- Domiciliary Care / Direct Payments	1,247
Services for 18 - 64	- Placements	28
	- Respite care	13
	- Domiciliary Care / Direct Payments	25
Extra Care Housing		Cr 58
Staffing		Cr 22
Other		Cr 199
		<u>1,066</u>

The budget for 2016/17 included savings of £2.15m in relation to Assessment & Care Management .In December a projected overspend of £1.178m was being reported. The final outturn shows this has reduced by £112k to an overspend of £1.066m .

Services for 65+ - Dr £1,279k

Services for the 65's and over age group have outturned with an overspend of £1.279m, a reduction of £11k on the figure reported as at December.

Placements and respite care overspent by £32k, analysed as follows (i) Residential care underspend of £58k (ii) Nursing care overspend of £94k (iii) supported living and shared lives overspend of £32k (iv) emergency placements overspend of £6k (v) respite underspend of £42k. The combined client numbers for permanent placements at the end of March was 397 which is 4 below the budgeted number of 401.

The budget savings in this area related 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 overspent by £1.247m which was an increase of £90k since December. This area of the budget had the highest savings target to achieve at £1.26m. These savings related to reviewing packages of care, increasing the capacity of the reablement service so that more clients can be reabled and reliance on care packages could be reduced, and additional income from charging for day and transport services. Although there has been an ongoing recruitment drive for reablement facilitators, the take up has not been as large as hoped and any new appointments have just replaced staff who have left during the year. This has significantly impacted on the ability to meet the related savings target in the budget.

Services for 18 - 64 year olds - Dr £66k

Placements for the 18 - 64 age group overspent by £28k, with client numbers being 3 above the budget number of 43. Respite care outturned £13k above budget and domiciliary care and direct payments were £25k higher than the budget.

Extra Care Housing - Cr £58k

The 3 externally run extra care housing schemes underspent by £58k. 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. These financial penalties have reduced significantly this year as void periods have reduced.

Staffing - Cr £22k

The staffing budget for assessment and care management came in with a minor underspend of £22k for the year.

Other Costs - Cr £199k

Other costs within assessment and care management have outturned below budget. The main variations are:

- Day Care - Cr £63k - partly due to the closure of Melvin Hall, including a saving of £27k on transport provided by the centre.
- Transport provided by GSP (Greenwich Services Plus) - Cr £34k - journeys during the year have been below the numbers originally contracted for and, although there has been a 12.5% contractual increase in the cost of each journey payable by Bromley as a result, costs have still been below budget.
- Sight/Hearing impaired services - Cr £73k - SLA underspent by £25k / Sight impaired services underspent by £36k / Hearing impaired services underspent by £12k
- Other minor variations on supplies and services and income budgets - Cr £29k

2. Direct Care - Cr £90k

Extra Care Housing - Dr £100k

The 3 inhouse units providing extra care services overspent by £100k at year end, comprising of a staffing overspend of £127k, running costs underspend of £39k and reduced client contributions of £12k. Staffing of the units 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 were 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 £165k

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. As mentioned in the assessment and care management section above, staff resignations over the past year and the difficulty in recruiting to the subsequent vacant posts is having an impact on the level savings that can be achieved. As a result of these vacancies the service outturned with an underspend of £165k.

Carelink - Cr £23k

The inhouse Carelink service outturned with an underspend of £23k, the majority of this related to it's supplies and services budget.

Direct Care Management - Cr £2k

There is a minor underspend on the staffing budget relating to the management of direct care services.

3. Adult Social Care Commissioning & Service Delivery - Dr £88k

There are a number of variations within the net overspend of £88k on Adult Social Care Commissioning including overspends on staffing and legal fees, offset in part by underspends on contracts and the Taxicard service.

4. Learning Disabilities - Dr £630k

There has been a slight increase of £81k in the overspend position on LD compared to the previously reported position. There are various reasons for this movement but it can largely be attributed to a combination of savings achieved being lower than the planned figure as at December 2016, clients becoming the financial responsibility of Bromley under ordinary residence and information on care packages that wasn't available at the time of the last forecast. The effect of this is part mitigated by increased underspends on transport and staffing.

The original 2016/17 LD budget included £1.6m savings for the year. This target 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). Actual savings achieved in 2016/17 were slightly lower than predicted in December 2016 and this has resulted in a small increase to the overspend position for the year. Progress on achieving savings will continue to be closely monitored going in to 2017/18.

Underlying cost pressures relating to transition clients, increased client needs and ordinary residence cases have been partly mitigated by the overachievement of savings on the supported living contracts element of the savings targets.

In addition, there are variations on the revised arrangements for delivering the former in-house LD supported living, day care and respite services. This includes underspends on the housing management arrangements for former in-house LD homes.

5. Mental Health - Cr £219k

The final outturn position for Mental Health is an underspend of Cr £219k compared to a projected underspend of Cr £48k included in the previous budget monitoring report.

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.

The remainder of the downward movement can be broadly attributed to the net effect of attrition, Carefirst data being cleansed (principally in relation to flexible support), client moves, etc.

6. Better Care Fund - Protection of Social Care - Cr £472k

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 underspent by £472k in 2016/17, of which £433k relates to services within the Health Integration Division and £39k within Adult Social Care Division. This has been used to offset other budget pressures within adult social care in line with the intentions of the funding.

7. Housing Needs - Dr £0k

There is an underspend of £88k in the Temporary Accommodation budgets at the end of the year. This is due to a lower than expected increase in clients going into nightly paid accommodation in the last few months of the year. 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 the increasing number of clients. As additional budget was drawn down from contingency in year the £88k has been returned and therefore overall is showing a zero balance.

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 moving 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 £25k) due to the site not having meters. This has been a pressure for a few years, but has been offset 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 £56k

Savings totalling £370k were built in to the 2016/17 Supporting People budget and a total of £314k was 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 £3,849k

The current projected overspend in CSC is £3,849k overspent, an increase of £330k since the last report. The main reasons are highlighted as follows:-

Care and Resources - Dr £2,209k

Placements - Dr £1,039k

The budget for 2016/17 for children's placements included savings of £1.119m. Final outturn figures show a variation of £1.039m, a reduction of £53k from the last reported figure. The overspend can be analysed as follows:

- Community Homes / Boarding Schools - Dr £924k
- Secure Accommodation & Youth on Remand - Dr £112k
- Transport & Outreach services - Dr 338k
- Fostering services - Cr £198k
- Adoption placements - Cr £137k

Leaving Care - Dr £720k

The costs in relation to clients leaving care outturned significantly higher than budget this year 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 outturned £224k above budget. Costs have increased during the year 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 CLA who entered the care system as older teenagers. The final overspend was £285k, a reduction of £64k on the last reported figure. In addition expenditure relating to the 'Staying Put' grant, where care leavers can remain with their foster carers after the age of 18, outturned at £320k which was £211k above the grant provision of £109k.

Staffing - Dr £448k

See note below relating to staffing budgets across the Division.

Other - Dr £2k

Section 17 preventative payments and payments to assist clients underspent by £14k, offset by an overspend on interpreting and translation costs of £6k, subscriptions of £9k and advocacy costs of £1k.

Safeguarding and Quality Assurance - Dr £119k

Various Expenditure Budgets - Cr £287k

In November 2016, a freeze was initiated on running expense budgets that were underspending at that time. An amount of budget equal to these underspends was moved to a specific code within Children's Social Care to ensure that they are not spent. This has resulted in an underspend of £287k on these budgets.

Post Inspection funding - Dr £281k

Additional funding of £1,091,000 was allocated to Children's Social Care during the year as part of the Children's Services Improvement Plan. The final outturn is an overspend of £184k on staffing, mainly due to the higher cost of agency staff employed compared to the budget provision for the equivalent permanent funding and £97k on staffing related expenditure such as mobile phones, and computer and office equipment.

Other - Dr £42k

Grants and subscriptions overspent by £17k and advocacy services by £25k.

Staffing - Dr £83k

See note below relating to staffing budgets across the Division.

Social Care Referral Service - Dr £287k

No Recourse to Public Funds - Dr £87k

The final cost to Bromley for people with no recourse to public funding is an overspend of £87k. Additional budget was moved into this area in 2015/16 to deal with a previous overspend on the budget. Currently there are 41 children with families receiving funding, compared to 39 in December. At the end of 2015-16 there were 48 receiving funding.

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.

Other - Dr £16k

Section 17 preventative payments and payments to assist clients overspent by £9k and interpreting and translation costs by £7k.

Staffing - Dr £356k

See note below relating to staffing budgets across the Division.

Safeguarding & Care Planning - Dr 1,252k

Public Law Outline - Court Ordered Care Proceedings - Dr £879k

Costs in relation to care proceedings outturned at £879k above the budget provision of £542k. This is a reduction of £41k from the figure reported for December. The main area of overspend is in community based and residential based parenting assessments which are largely outside the control of the council.

Other - Dr £97k

Section 17 preventative payments and payments to assist clients overspent by £66k and interpreting and translation costs by £31k.

Staffing - Dr £276k

See note below relating to staffing budgets across the Division.

Early Intervention and Family Support - Cr £7k

The service outturned with a minor underspend on staffing of £7k

Children's Disabilities Services - Cr £11k

The CWD budget underspent by £11k for the year. Direct payments overspent by £81k whilst the short breaks service underspent by £67k. There was also an underspend on staffing of £35k mainly due to a vacancy in the integrated children's disability service, an overspend of £8k on interpreting and translation costs and an overspend of £2k on subscriptions.

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, totalling £1.122m. The majority of the overspend relates to the use of locum staff, where it has not been possible to recruit permanently to posts. The cost of these workers is higher than permanent staff costs and numbers employed have been as high as 80 during the year. A HR strategy is in place to address this.

10. Health Integration Division - Cr £115k

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 (BCF), NHS Support for Social Care and the Health Integration Programme Team.

The total underspend for the Division is £548k. Of this, £433k relates to social care services protected by BCF funding and referred to at ref 6 above.

The remaining underspend of £115k relates to vacancies in the Programme Team and one off funding identified to contribute to the cost of the team (Cr £124k in total) and a small variation on the controllable element of the Better Care Fund (Dr £9k) which is offset by an equivalent underspend on non-controllable costs charged to BCF.

There was an underspend of £132k on the revenue element of the 2016/17 Better Care Fund and it is requested that this is carried forward for spending in future years under the pooled budget arrangement with Bromley CCG. In addition, a further £25k brought forward from 2015/16 is requested to be carried forward for the GoodGym scheme.

11. Strategic & Business Support Service - Cr £212k

Strategic & Business Support Services Division returned to ECHS Department from Corporate Services part way through 2016/17. The budgets for the entire year are reported here.

The underspend of £212k has arisen from variations across a number of budget heads including staffing, centrally controlled departmental running expenses (including printing, stationery, staff advertising, equipment and DBS checks), training and income.

12. Public Health - Dr £53k

This overspend is offset by an equivalent underspend on the non-controllable costs charged to the Public Health Grant.

13. Environmental Services Department - Housing Improvement - Dr £16k

There is a shortfall of income relating to renovation grant agency fees of £22k. This is due to a delay in Occupation Therapy (OT) assessments and referrals for work to be carried out, which has had a corresponding effect on the fees earned by the Housing Improvement team . A review of OT working practices has increased the throughput on grants claims and in addition several larger fee earning works were completed towards the end of the financial year, resulting in the variation compared to the deficit last reported. Other net underspends across the service total £6k.

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 17 waivers agreed for care placements in both adults and children's social care services over £50k but less than £100k and 10 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.

There were no waivers agreed for general contracts above £50k since the last report.

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: £13k transferred to Commissioning to part fund a post in relation to the Adult Transport function; £4k transferred to Corporate Services for additional Liberata costs relating to service changes required in relation to financial reviews of service users.

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Final Approved £'000	2016/17 Provisional 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 141	147	1	83	0
231	Alternative Education and Welfare Service	250	254	258	4		8	0
264	Schools and Early Years Commissioning & QA	391	401	432	31	2	140	0
5,141	SEN and Inclusion	4,869	5,090	5,481	391	3	512	755
207	Strategic Place Planning	205	253	211	Cr 42		0	0
Cr 15	Workforce Development & Governor Services	18	19	26	7		0	0
Cr 1,650	Education Services Grant	Cr 1,728	Cr 1,274	Cr 1,274	0	4	471	0
	Education Funds Held in Contingency		0	0	0	4	Cr 471	0
Cr 1,395	Schools Budgets	Cr 1,219	Cr 1,222	Cr 1,135	87	5	0	0
1,757	Bromley Youth Support Programme	1,438	1,536	1,516	Cr 20	6	Cr 96	0
175	Other Strategic Functions	179	261	246	Cr 15		0	0
4,482		4,115	5,030	5,620	590		647	755
Children's Social Care								
1,872	Early Intervention Services	1,130	1,137	438	Cr 699	7	Cr 572	0
1,872		1,130	1,137	438	Cr 699		Cr 572	0
6,354	TOTAL CONTROLLABLE FOR EDUCATION	5,245	6,167	6,058	Cr 109		75	755
11,061	Total Non-Controllable	4,198	Cr 8,602	Cr 8,602	0		0	0
3,396	Total Excluded Recharges	3,240	3,067	3,067	0		0	0
20,811	TOTAL EDUCATION PORTFOLIO	12,683	632	523	Cr 109		75	755
Memorandum Item								
Sold Services								
Cr 62	Education Psychology Service (RSG Funded)	Cr 18	Cr 18	Cr 134	Cr 116	} 8	Cr 170	0
Cr 43	Education Welfare Service (RSG Funded)	Cr 33	Cr 32	Cr 16	16		Cr 19	0
Cr 33	Workforce Development (DSG/RSG Funded)	Cr 11	Cr 11	11	22		0	0
0	Governor Services (DSG/RSG Funded)	Cr 6	Cr 6	3	9		0	0
Cr 66	Community Vision Nursery (RSG Funded)	0	0	16	16		113	16
Cr 23	Blenheim Nursery (RSG Funded)	0	3	82	79		54	79
0	Business Partnerships (RSG Funded)	0	0		0		0	0
	Total Sold Services	Cr 68	Cr 64	Cr 38	26			16

Reconciliation of Latest Approved Budget

£'000

Original Budget 2016/17

12,683

SEN Implementation Grant 2015/16		
- expenditure		28
- income	Cr	28
YOS Service Strategy Review		97
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
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
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
ESG Contingency		454
Merit Awards		38

Memorandum Items

Capital Charges	Cr	14,030
Insurance		6
Repairs & Maintenance	Cr	11
IAS19 (FRS17)		1,236
Excluded Recharges		55

Latest Approved Budget for 2016/17

632

REASONS FOR VARIATIONS

1. Adult Education Centres - Dr £147k

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 £147k for this year. The pressure is being caused by a reduction in income (mainly from the SFA grant), the continued costs of Business Rates for the now empty Widmore Centre and unexpected payments to staff for Lieu of notice. These pressures have been partially offset by under spending in running costs.

As part of the restructuring of the Adult Education Service, they vacated the Widmore, one of the properties they occupied. This property was to be used by the EFA to provide extra school places in Bromley. As yet this sale has not gone through. The property has now passed its exemption period and Business Rates totalling £44k have been paid for 2016/17 that was not budgeted for. This pressure is likely to be on-going until the property is taken over by the EFA.

2. Schools and Early Years Commissioning & QA - Dr £31k

The two in-house nurseries have over spent by £95k. This has been caused by under collection of recharge income from Children's Social Care (CSC). This overspend is offset by an underspend in CSC, and therefore has a £0 effect across the council. The nurseries have offset this over spend by collecting additional income for the places that are not being used by CSC.

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

The overspends in the nurseries has been offset by underspends of £64k in the remaining parts of this area. These underspends are, in the main, made up of extra income collected from schools (£26k) and underspends in staffing costs (of 20k).

3. SEN and Inclusion - Dr £391k

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 LBB 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 has overspent its budget by £504k. This has reduced since the last report as income came in higher than forecast. 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 Councils the Extended Rights to Free Travel grant (funding for children to get to school). 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 £116k this year. This is offset by an overspend of £40k in the Education Psychologists to do with the schools in Bromley. This results in a net underspend of £76k.

Other variations total a net underspend of £33k and are mainly associated with staffing.

4. Education Services Grant - Dr £0k

The Education Services Grant (ESG) allocation for 2016/17 came in £454k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. 8 Schools converted during the year. The full year effect of these conversions is £552k. The shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

5. Schools Budgets - Dr £87k

There is an overall variance on the Schools Budget this year on controllable expenditure of £87k. This is offset by an underspend of £87k in the non-controllable spend due to lower overheads being charged to the DSG related budgets.

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 qualifying expenditure in the Schools Budget. Any overspend or underspend must be carried forward to the following year.

In 2016/17 there has been an in-year underspend of £226k. £3.7m was carried forward in 2016/17 and has been partly offset by planned one off growth of £2.3m. This means the Council will carry forward £1.6m DSG into 2017/18.

The in-year underspend is broken down as follows:-

During the year the remaining balance for the costs of the refurbishment of Beacon House to allow it to be used for a school has been contributed to the capital project (£1,572k).

Bulge classes have overspent by £150k for this financial year. Additionally there has been an overspend of by £229k on modular classroom rentals during the year.

Free Early Years Education has underspent by £651k this year. This is due to a £141k underspend for the 2 year old age group and an underspend £510k for the year in the 3 & 4 years age group.

The Primary Support Team is in the process of being re-organised and a number of posts were kept vacant during the year which has resulted in an underspend of £58k.

The FAP budget has overspent by £117k due to a prior year payment being paid in the current year for the Secondary FAP.

Standards Fund Grant has been allocated to DSG amounting to £745k and has been used to offset current expenditure.

SEN has underspent by £835k. There are many factors that make up this figure including:- SEN placements has underspent by a total of £482k, mainly due to fewer placements being made in independent boarding schools partially offset by increases in day placements. There has also been underspends on pre-school services due to staffing vacancies and in other stated services due to an underspend in a contract. This has been partially offset by the Home and Hospital service which has seen an increase in Agency tutors.

Other minor variations total a net underspend of £5k.

	Variations
	£'000
Bulge Classes	150
Modular classroom rentals	229
Free Early Education - 2 year olds	Cr 141
Free Early Education - 3 & 4 year olds	Cr 510
Primary Support Team	Cr 58
FAP Payments	117
Standards Fund Grant	Cr 745
Beacon House	1,572
Other Small Balances	Cr 5
SEN:	
- Placements	Cr 482
- Support in FE colleges	Cr 37
- Home & Hospital	80
- SIPS	Cr 12
- Pupil Support Services	Cr 61
- High Needs Pre-school Service	Cr 41
- Other Stated	Cr 194
- Disability Services	Cr 88
	<u>Cr 226</u>

6. Bromley Youth Support Programme - Cr £20k

The £20k underspend is derived from Youth Services and the YOT and are made up of various underspends and overspends in staffing and running costs.

	Variations
	£'000
Youth Services	13
Youth Offending Team	Cr 33
	<u>Cr 20</u>

7. Early Intervention Services - Cr £699k

Bromley Children's Project variance is due to a underspends in staffing of £84k due to in year recruitment, reduced running costs and additional income of £103k and a recharge from Public Health to support the Children Centres of £500k.

Information Advice and Support Service underspend is due to in year recruitment.

	Variations
	£'000
Bromley Children's Project	Cr 687
Information Advice and Support Service	Cr 12
	<u>Cr 699</u>

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 range of £123k to £424k 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 and the re-alignment of overhead budgets.

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Final Approved £'000	2016/17 Provisional 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	5,177	86	1	95	0
417	Street Regulation and Enforcement incl markets	386	369	290	Cr 79	2	Cr 120	0
17,599	Waste Services	17,206	17,510	17,009	Cr 501	3	Cr 498	0
3,891	Street Environment	4,181	4,183	4,206	23	4	51	0
808	Management and Contract Support	781	792	804	12	5	29	0
629	Transport Operations and Depot Management	811	710	632	Cr 78	6	Cr 66	0
280	Trees	683	723	877	154	7	90	0
29,069		29,157	29,378	28,995	Cr 383		Cr 419	
	Parking Services							
Cr 7,455	Parking	Cr 7,041	Cr 7,080	Cr 7,425	Cr 345	8-14	Cr 332	0
Cr 7,455		Cr 7,041	Cr 7,080	Cr 7,425	Cr 345		Cr 332	0
	Transport & Highways							
112	Traffic & Road Safety	284	294	245	Cr 49	15	Cr 28	0
10,035	Highways (including London Permit Scheme)	8,803	9,056	8,971	Cr 85	16	Cr 43	0
10,147		9,087	9,350	9,216	Cr 134		Cr 71	0
31,761	TOTAL CONTROLLABLE	31,203	31,648	30,786	Cr 862		Cr 822	0
8,075	TOTAL NON-CONTROLLABLE	5,299	8,165	8,165	0		Cr 165	0
2,429	TOTAL EXCLUDED RECHARGES	2,041	2,394	2,394	0		0	0
42,265	PORTFOLIO TOTAL	38,543	42,207	41,345	Cr 862		Cr 987	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2016/17

38,543

Transfer of budget for staffing to SEN	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	300
Merit Awards	34

Memorandum Items

Capital Charges	2,351
Insurance	104
Rent Income	Cr 119
Repairs & Maintenance	Cr 197
IAS19 (FRS17)	592
Excluded Recharges	352

Latest Approved Budget for 2016/17

42,207

REASONS FOR VARIATIONS

1. Parks and Green Spaces Dr £86k

Additional costs of £45k have been incurred to repair and replace safety surfaces at various playgrounds and £7k has been spent on painting playground equipment. These costs have been funded by projected underspends elsewhere in Street Scene and Greenspace. The deed of surrender for the lease of Crystal Palace Park cafe cost £60k which has been partly offset by tenants income £16k and other minor variations totalling Cr £10k. The total variation for Parks is an overspend of £86k.

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	60
Tenants income from CPP Café	Cr 16
Other minor variations	Cr 10
Total variation for Parks & Green Spaces	<u>86</u>

2. Street Regulation and Enforcement incl markets Cr £79k

£11k has been received for the recovery of administration costs dealing with claims for repairs to street furniture damaged by car accidents and £15k has been received for rental of space for promotions within Bromley Town Centre.

Costs for the security and setting up of market stalls was £26k lower than budgeted.

Due to additional street traders being taken on and specialist markets being run, there was surplus income of £15k for Street Trading Licences. An increased demand for skip Licences has led to extra income £9k above budget.

Other net variations total Cr £3k resulting in an overall underspend of £79k. This has been used to partly offset 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 st furniture	Cr 11
Income from rental of space for promotions	Cr 15
Markets running costs	Cr 26
Income from street trading licences and skips	Cr 24
Other minor variations	Cr 3
Total variation for Street Regulation & Enforcement incl markets	<u>Cr 79</u>

3. Waste Services Cr £501k

Disposal tonnages from increased trade waste delivered activity was 841 tonnes above budget resulting in an overspend of £122k. This is less than was previously projected as the weighbridge was closed for two weeks during February.

As a direct consequence of the extra tonnage described above, additional income of £136k has been received for trade waste delivered to offset the disposal overspend from weighbridge tonnage.

An extra £82k has been spent disposing of green garden waste tonnage, as there has been an additional 1,815 tonnes compared to 2015/16.

For other residual tonnage there is an underspend of £46k. An additional £11k was received for 2015/16 as more tonnage was incinerated than estimated at year end.

Within paper recycling income, there is a surplus of £102k as tonnage is 1,278 tonnes above budget, and 1,874 tonnes more that was collected in 2015/16.

The reduction in detritus tonnage has resulted in savings of £43k for disposal costs.

Across the garden waste collection services, there is an underspend of £190k. An additional £82k has been spent on containers, publicity and a new tagging system. This has been partly offset by savings of £60k from not using the fifth vehicle as often as originally anticipated. Sales of green garden waste stickers have not dropped off as much as in previous years and additional income of £26k has been received and there has been a net increase in the number of wheelie bin customers during 2016/17 resulting in extra income of £186k. The Executive will be asked to carry forward £120k of this underspend to contribute towards the system development costs of linking the CRM GGW database to the debt management system to enable payments to be made by direct debits.

The Coney Hill contract has underspent by £30k.

There is an underspend of £82k for the waste collection contract. This is made up of £23k relating to a decrease in the number of special collections, £50k for emptying recycling banks and fly tipping costs, and other minor underspends totalling £9k.

There are outstanding defaults of £120k owed for the waste collection contract.

An extra £51k has been spent on waste containers. This was 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 is Cr £2k.

Income from recycling metals is below budget by £14k, mainly due to the reduction in the market price. This is partly offset by extra income from textiles of £8k.

Summary of overall variations within Waste Services		£'000
Waste disposal tonnages - other residual tonnage	Cr	57
Waste disposal tonnages - Trade Waste Delivered		122
Waste disposal tonnages - Green Garden Waste		82
Additional trade waste delivered income	Cr	136
Paper recycling income	Cr	102
Disposal of detritus tonnage	Cr	43
Green Garden Waste Services	Cr	190
Coney Hill	Cr	30
Waste collection contract	Cr	82
Other minor variations across income & operational expenses	Cr	2
Defaults for collection service	Cr	120
Other recycling income		6
Purchase of waste containers		51
Total variation for Waste Services	Cr	501

4. Street Environment Dr £23k

Additional costs have been incurred for extra weed spraying £31k and litter teams, £8k. These costs have been funded by underspends elsewhere in Street Scene and Greenspace.

The cost of removal of abandoned vehicles has overspent by £23k 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 more than offset by an underspend on graffiti removal of £27k.

Although there were plans in place to spend the cleansing contingency budget, delays occurred due to adverse weather which meant that the programmes for leafing and deep cleansing for detritus removal slipped. This resulted in an underspend on the cleansing contract of £67k. This was used to fund the additional fly tipping costs of £67k instead of drawing down from the earmarked reserve set aside for Members' Initiatives.

Other net variations total Cr £12k, mainly from savings on residual premises costs of the closed public conveniences.

Summary of overall variations within Street Environment		£'000
Additional litter teams and weed spraying		39
Abandoned vehicles		23
Graffiti Removal	Cr	27
Cleansing contingency	Cr	67
Special scheme (Members initiative for fly-tipping).		67
Other net variations across the service	Cr	12
Total variation for Street Environment		23

5. Management & Contract Support Dr £12k

This variance relates to additional net costs of employing temporary staff to undertake commissioning work.

6. Transport Operations and Depot Management Cr £78k

Part year savings have been achieved on the Mail Delivery Service of £17k. Reduced staffing levels required for the SEN transport client service has led to an underspend of £29k.

Other variations total £32k due to underspends on depot maintenance, transport and Business Rates.

Summary of variations for Transport Operations & Depot Management		£'000
Savings on the mail delivery service	Cr	17
SEN transport client service	Cr	29
Other variations (depot maint, transport & Business Rates)	Cr	32
Total variations within Transport Operations & Depot Management	Cr	78

7. Trees Dr £154k

The arboriculture service budget has overspent by £154k due to health and safety remedial works associated with condition surveys and extra trees being planted.

8. Income from Bus Lane Contraventions Cr £420k

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 March 2017, there is a surplus of £388k. This is below previous projections as the numbers of contraventions in bus lanes have dropped due to increased compliance and this trend is expected to continue. There is also an additional £32k income from PCNs issued in previous years.

The additional income declared on Bus Lanes of £420k is net of funding the cost of the automated cameras. The carry forward sum of £306k was no longer required and has been returned to the central contingency.

9. Off Street Car Parking Dr £44k

There is an overall deficit of £44k for Off Street Parking income. This is made up of a deficit of £39k at the Hill MSCP, a surplus of £19k for Village Way MSCP, a deficit of £44k at the Civic Centre MSCP and a surplus of £20k for other surface car parks.

Other variations include an overspend on rents of £11k due to a backdated rent review which is offset by underspends on utilities totalling £11k. Due to a reduction in usage and rates there is an underspend on credit card commission of £10k. Other minor variations total Dr £10k.

Summary of variations within Off Street Car Parking		£'000
Off Street Car Parking income - multi-storey car parks		64
Off Street Car Parking income - other surface car parks	Cr	20
Rents		11
Utilities	Cr	11
Credit card commission	Cr	10
Other net variations		10
Total variations within Off Street Parking		44

10. On Street Car Parking Dr £130k

Overall there is a net deficit of around £130k 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 from these new spaces introduced during 2016/17, there is a shortfall of On Street Parking income of £130k in 2016/17. The increase in income since last reported reflects the net effect of new spaces which have become operational.

Lower airtime costs for the P&D machines have resulted in an underspend of £32k.

Due to the introduction of new £1 coins and £5 polymer notes, the parking income machines have been upgraded at a cost of £78k. This has been funded from the Equipment replacement budget of £52k. The remaining £26k has been funded from a saving on the Enforcement Equipment budget of £26k shown below. These machines are for both On Street and Off Street parking. Other minor variations total Dr £6k.

Summary of variations within On Street Car Parking		£'000
Shortfall of income		130
Lower airtime costs	Cr	32
Extra costs of coinage changes to equipment		26
Other minor variations		6
Total variations within On Street Parking		130

11. Car Parking Enforcement Cr £12k

Less income than anticipated was received (£17k) for PCNs issued by CEOs in previous financial years.

Delays in employing the 4 additional CEOs on street due to difficulties in staff recruitment has led to a net underspend on staffing of £41k.

Due to delays in introducing the automated cameras, which were not fully operational until July 2016, additional net income of £7k was received for PCNs issued using the mobile cars and an extra £10k was received for PCNs issued in previous years.

Automatic cameras have been set up outside schools and since compliance has increased at these locations there is a deficit in income of Dr £26k compared to expected levels. This has been offset by additional income of £9k for tickets issued by static cameras in previous years.

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. Other minor variations total Cr £11k.

In order to meet the costs of upgrading the parking income machines, a saving of £30k from the enforcement equipment budget has been used.

Summary of variations within Car Parking Enforcement		£'000
PCNs issued by wardens		17
Budgets not required for additional CEOs etc	Cr	41
PCNs issued by Mobile (car) cameras	Cr	17
PCNs issued by automatic cameras at schools		26
PCNs issued by static cameras	Cr	9
CCTV Salaries		53
Enforcement equipment replacement budget	Cr	30
Other minor variations	Cr	11
Total variations within Car Parking Enforcement	Cr	12

12. Parking Shared Service Cr £58k

The total variation for the Parking Shared Service is an underspend of £58k mainly due to vacant posts.

13. Permit Parking Cr £23k

Permit parking shows additional income of £11k due to an increase in visitor permits issued. In addition there is a minor underspend on staffing and running expenses of £12k.

14. Disabled Parking Cr £6k

The variation of Cr £6k is made up of an underspend of £12k for on issuing/renewal of Blue Badges partly offset by additional net costs of £6k for Blue Badge prosecutions for misuse.

Summary of overall variations within Parking:		£'000
Bus Routes Enforcement	Cr	420
Off Street Car Parking		44
On Street Car Parking		130
Car Parking Enforcement	Cr	12
Parking Shared Service	Cr	58
Permit Parking	Cr	23
Disabled Parking	Cr	6
Total variation for Parking	Cr	345

15. Traffic and Road Safety Cr £49k

There is an underspend of Cr £43k on TfL funded salaries due to vacancies which is offset by a corresponding reduction in capital salary recharges of £43k. Although there is no overall effect on revenue, it has increased the capital funding available for implementation of TfL funded schemes.

Income from road closure licences is £21k above budget due to an increase in applications. There is an underspend of £18k on the school crossing patrol contract due to defaults issued through non-attendance.

Other variations total Cr £10k, mainly due to vacancies and a reduction in car allowances.

16. Highways (Including London Permit Scheme) Cr £85k

As a result of the planned change to reduce expenditure on expensive reactive works there was increased investment on long term cost effective permanent repairs through the planned maintenance programme as summarised in the table below.

	Budget £'000	Outturn £'000	Variance £'000
Planned maintenance for carriageway and footway Reconstruction	2,673	3,228	555
Reactive maintenance for carriageways and footways	1,787	1,324 Cr	463
	4,460	4,552	92

There is a small surplus of income totalling £11k.

In year staff vacancies have led to an underspend of £60k.

The winter service budgets are £96k underspent, essentially due to the relatively mild winter and lack of snowfall. The table below gives a breakdown of winter service budgets, final expenditure, and subsequent variances: -

	Budget £'000	Outturn £'000	Variance £'000
Salt, gritting & snow clearance	164	115 Cr	49
Met Office Costs	26	21 Cr	5
Vehicle / plant maintenance & repairs	111	102 Cr	9
Standby / training / overtime and other costs	108	75 Cr	33
Winter Service Totals	409	313 Cr	96

Due to the mild winter, the salt budget for snow friends has underspent by £29k.

Summary of Variations - Highways (Incl London Permit Scheme)		£'000
Income	Cr	11
Winter service	Cr	96
Staff vacancies	Cr	60
Net overspend on planned highway & footway expenditure		92
Snow friends materials	Cr	29
Other minor variations		19
Total Projected variations for Highways (Incl London Permit Scheme)	Cr	85

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 for contract values over £50k has 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.

Public Protection & Safety Budget Monitoring Summary

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Final Approved £'000	2016/17 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Public Protection							
172	Community Safety	126	126	108	Cr 18	1	Cr 5	0
70	Emergency Planning	78	78	77	Cr 1	2	0	0
333	Mortuary & Coroners Service	355	395	508	113	3	76	50
1,464	Public Protection	1,389	1,312	1,187	Cr 125	4	Cr 62	0
2,039	TOTAL CONTROLLABLE	1,948	1,911	1,880	Cr 31		9	50
426	TOTAL NON CONTROLLABLE	6	270	270	0		0	0
29	TOTAL EXCLUDED RECHARGES	159	262	262	0		0	0
2,494	PORTFOLIO TOTAL	2,113	2,443	2,412	Cr 31		9	50

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
Merit Awards		12

Memorandum Items

Capital Charges		94
Insurance	Cr	4
Rent Income		0
Repairs & Maintenance		0
IAS19 (FRS17)		174
Excluded Recharges		103

Latest Approved Budget for 2016/17

2,443

REASONS FOR VARIATIONS

1. Community Safety Cr £18k

There are minor net underspends across staffing £8k, car allowances £5k and project expenses £5k.

2. Emergency Planning Cr £1k.

There are minor variations across the service totalling Cr £1k.

3. Mortuary and Coroners Service Dr £113k

There is an underspend on Mortuary costs of £66k mainly due to the new contract for the Mortuary at the Princess Royal University Hospital where the basic charges are currently lower than the previous contract and a lower activity level during the year.

On the Coroners Service there is a net overspend of £179k based on cost information 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 has escalated without prior agreement by the Consortium. The refurbishment project is being directly managed by Croydon. The revenue costs for 2016/17 have also increased considerably and there are backdated additional costs for 2015/16. Further information has been requested from Croydon.

4. Public Protection Cr £125k

Staffing costs are £46k below budget due to vacancies during the year.

Transport costs are £15k lower as a result of the purchase of the CCTV vehicles towards the end of the last financial year.

Additional income has been received for licence fees of £33k and an extra £21k has been received for licences relating to Homes in Multiple Occupation..

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

Other net variations total Cr £32k mainly within supplies and services and miscellaneous income.

Summary of variations:

	£'000
Staffing related costs	Cr 46
CCTV transport costs	Cr 15
Income from licences	Cr 33
Income from licences for Homes in multiple occupation	Cr 21
Uniform system upgrade	22
Other net variations	Cr 32
Total variations	Cr 125

Waiver of Financial Regulations:

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

£371k cumulative contract value for CCTV installation works. Variation of £31k one-off works to enable new cameras to be commissioned.

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.

Renewal and Recreation Budget Monitoring Summary

2015/16 Actuals £'000	Division Service Areas	2016/17 Original Budget £'000	2016/17 Final Approved £'000	2016/17 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
	Planning							
Cr 19	Building Control	69	69	Cr 3	Cr 72	1	Cr 55	0
Cr 168	Land Charges	Cr 131	Cr 131	Cr 144	Cr 13	2	Cr 7	0
589	Planning	671	645	812	167	3	35	0
1,568	Renewal	1,888	1,931	1,564	Cr 367	4	Cr 300	0
1,970		2,497	2,514	2,229	Cr 285		Cr 327	0
	Recreation							
2,192	Culture	1,710	1,698	1,732	34	5	16	0
4,610	Libraries	4,495	4,748	4,737	Cr 11	6	Cr 7	0
263	Town Centre Management & Business Support	251	293	263	Cr 30	7	Cr 35	0
7,065		6,456	6,739	6,732	Cr 7		Cr 26	0
9,035	Total Controllable R&R Portfolio	8,953	9,253	8,961	Cr 292		Cr 353	0
Cr 13,572	TOTAL NON CONTROLLABLE	2,353	5,855	5,855	0		Cr 35	0
2,281	TOTAL EXCLUDED RECHARGES	1,958	2,088	2,088	0		0	0
Cr 2,256	PORTFOLIO TOTAL	13,264	17,196	16,904	Cr 292		Cr 388	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
Merit Awards	17

Memorandum Items

Capital Charges	3,143
Insurance	Cr 258
Rent Income	Cr 28
Repairs & Maintenance	45
IAS19 (FRS17)	599
Excluded Recharges	Cr 89

Latest Approved Budget for 2016/17

17,196

REASONS FOR VARIATIONS

1. Building Control Cr £72k

Within the chargeable account for Building Control, there was an income deficit of £82k. This was more than offset by an underspend within salaries of £142k arising from reduced hours being worked and vacancies. In accordance with Building Account Regulations, the net surplus for 2016/17 of £52k has been carried forward into 2017/18 via the earmarked reserve for the Building Control Charging Account. The cumulative balance on this account is therefore now £182k, taking into consideration the opening balance of £130k at the start of 2016/17.

Within the non-chargeable service, as a result of delays in appointing to vacant posts, there was an underspend of £65k on staffing and a minor overspend of £1k on supplies and services.

2. Land Charges Cr £13k

There was an underspend of £13k mainly due to vacant posts.

3. Planning Dr £167k

Income from non-major planning applications was £146k above budget for 2016/17. For information, actual income received in 2016/17 was £62k higher than for the previous year, largely due to improving economic conditions.

For major applications, £316k was received in 2016/17 which was £16k above budget. Actual income was £7k less than that received for 2015/16.

Surplus income £52k was achieved from pre-application meetings due to higher than budgeted activity levels. For information, this was £2k more than the income received in 2015/16.

Additional income of Cr £32k was achieved within the street naming & numbering service, which was £2k less than that received in the previous year.

Other income was £38k above budget, mainly from the administration top-slice from the CIL monies collected. These monies are used to fund the administration and monitoring of CIL applications.

Additional staffing costs of £134k have been incurred. £102k for planning officers and £32k for planning enforcement staff. This was 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.

On average an amount of £2m per annum is invoiced relating to developments with CIL liability within Bromley, on behalf of the Mayor of London. 4% of which is retained to meet the costs of the administration of the CIL. A limited number of cases not originally identified as CIL liable have commenced construction during the last two years, affecting their eligibility to claim exemption to the Levy. Therefore there is the possibility that due to delays, the Council may be required to make payment of up to £171k to TfL. A provision of £171k has therefore been set aside from the 2016/17 revenue account.

As a direct result of losing planning appeals, a net provision has been made for potential costs relating to claims of compensation of £65k.

Additional costs of £78k have been incurred for specialist consultancy advice on planning applications for agriculture and ecology matters, as well as for planning appeals including two major appeals for Conquest House and Flamingo Park. These costs have been funded from additional income.

Other minor variations across the service total Dr £3k.

Summary of variations within Planning:

	£'000
Surplus income from non-major applications	Cr 146
Surplus income from major applications	Cr 16
Surplus pre-application income	Cr 52
Surplus income from street re-naming	Cr 32
Other miscellaneous income	Cr 38
Additional temporary planning staff	102
Additional temporary planning enforcement staff	32
Provision for potential CIL monies owed	171
Appeal costs	65
Consultants costs	78
Other minor variations	3
Total variation for planning	167

4. Renewal Cr £367k

The Town Centre Development Works funded by New Homes Bonus are underspent by £306k and therefore a carry forward request will be made in order to enable the outstanding works to be completed in 2017/18. Formal GLA approval has been obtained for the new profile of spend.

Of the £47k carried-forward from 2016/17 for the Local Plan Implementation, only £10k was spent, and therefore a further carry-forward request will be made at year-end so that the costs of the Examination in Public can be met in 2017/18.

Other minor variations across staffing and running expenses total Cr £24k.

Summary of variations within Renewal:

	£'000
Underspend related to NHB top slice funded work (c/forward request))	Cr 306
Local Plan Implementation (c/forward request to be made to June Exec)	Cr 37
Other minor variations (staffing & running costs)	Cr 24
Total variation for Renewal	Cr 367

5. Culture Dr £34k

There was an overspend of £34k for Culture. £6k of this was 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 £28k relates to an overspend on staffing and equipment.

6. Libraries Cr £11k

Shortfall of income of £60k in total. This comprises of a deficit of £14k on income from library fines, a deficit of £37k from activities in libraries, and a deficit of £9k from hall/room lettings. Year on year customers are borrowing fewer items overall which is having an adverse effect on income budgets.

There was an overall underspend of £53k for staffing which was due to a combination of strike action and part year vacancies.

Other minor variations across the service total Cr £18k.

Summary of variations within Libraries:

	£'000
Shortfall of income	60
Underspend on staffing	Cr 53
Other variations (transport, premises & running costs)	Cr 18
Total variation for Libraries	Cr 11

7. Town Centre Management & Business Support Cr £30k

Following the change of focus of the regeneration plan and the change in contractor to Cushman and Wakefield, there was an underspend of Cr £24k on the Orpington town centre scheme which was funded from the New Homes Bonus. A request will be submitted to the Executive to carry forward this amount in order to complete the specific projects. The GLA has agreed the extension of the projects.

There was an overspend of £11k on staffing due to the delay in the deletion of the Town Centre Management post. This was more than offset by additional income of £15k received for promotional space and a net underspend of £2k on supplies and services.

Summary of variations within TCM:

	£'000
Underspend on Orpington TC scheme (carry forward request)	Cr 24
Staffing	11
Additional income	Cr 15
Underspend on supplies and services	Cr 2
Total variation for TCM	Cr 30

Waiver of Financial Regulations:

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

- 1) £59k cumulative contract value for internet, magazine and newspaper subscriptions for the library service. Extension for one year.
- 2) £110k cumulative contract value for audio books, eMagazines and Comics Plus subscriptions for the library service. Extension for one year.

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 Actuals £'000		2016/17 Original Budget £'000	2016/17 Final Approved £'000	2016/17 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
	Financial Services & Procurement							
200	Director of Finance & Other	207	457	456	Cr 1		0	0
6,339	Exchequer - Revenue & Benefits	6,729	6,729	6,641	Cr 88	1	32	0
1,500	Exchequer - Payments & Income	1,560	1,571	1,545	Cr 26	2	Cr 16	0
602	Financial Accounting	588	647	606	Cr 41	3	Cr 20	0
1,387	Management Accounting	1,520	1,489	1,423	Cr 66	4	Cr 49	0
733	Audit	664	672	632	Cr 40	5	Cr 26	0
10,761	Total Financial Services Division	11,268	11,565	11,303	Cr 262		Cr 79	0
	CORPORATE SERVICES DIVISION							
4,453	Information Systems & Telephony	4,369	4,425	4,375	Cr 50	6	Cr 67	0
1,027	Customer Services (inc. Bromley Knowledge)	1,007	1,078	1,078	0		2	0
	Legal Services & Democracy							
323	Electoral	319	319	320	1	7	0	0
1,371	Democratic Services	1,397	1,397	1,369	Cr 28	8	Cr 21	0
Cr 104	Registration of Births, Deaths & Marriages	Cr 95	Cr 92	Cr 123	Cr 31	9	Cr 5	0
1,564	Legal Services	1,602	1,725	1,776	51	10	20	0
168	Management and Other (Corporate Services)	152	153	169	16	11	18	0
8,802	Total Corporate Services Division	8,751	9,005	8,964	Cr 41		Cr 53	0
	HR DIVISION							
1,501	Human Resources	1,550	1,539	1,523	Cr 16	12	Cr 19	0
1,501	Total HR Division	1,550	1,539	1,523	Cr 16		Cr 19	0
	COMMISSIONING AND PROCUREMENT DIVISION							
616	Procurement and Data Management	462	1,005	939	Cr 66	13	Cr 61	
0	Commissioning	0	1,266	1,245	Cr 21	14	Cr 47	
0	Debt Management System	0	0	0	0	15	0	0
616	Total Commissioning and Procurement Division	462	2,271	2,184	Cr 87		Cr 108	0
	CHIEF EXECUTIVE'S DIVISION							
205	Comms	177	123	125	2		2	0
710	Management and Other (C. Exec)	538	720	652	Cr 68	16	Cr 11	0
122	Mayoral	131	131	168	37	17	42	0
1,037	Total Chief Executive's Division	846	974	945	Cr 29		33	0
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
2,002	Admin Buildings & Facilities Support	1,949	1,904	1,938	34	18	28	0
203	Investment & Non-Operational Property	181	211	195	Cr 16	19	Cr 11	0
1,001	Strategic & Operational Property Services	1,032	1,160	1,115	Cr 45	20	Cr 53	0
0	TFM Client Monitoring Team	0	165	163	Cr 2		Cr 2	0
Cr 824	Other Rental Income - Other Portfolios	Cr 811	Cr 811	Cr 866	Cr 55	21	3	0
2,018	Repairs & Maintenance (All LBB)	1,929	2,230	2,117	Cr 113	22	Cr 113	0
4,400	Total Environment & Community Services Dept	4,280	4,859	4,662	Cr 197		Cr 148	0
27,117	Total Controllable Departmental Budgets	27,157	30,213	29,581	Cr 632		Cr 374	0
	CENTRAL ITEMS							
7,526	CDC & Non Distributed Costs (Past Deficit etc.)	7,579	7,579	7,500	Cr 79		0	0
10,994	Concessionary Fares	11,618	11,618	11,600	Cr 18		0	0
45,637	Total Controllable	46,354	49,410	48,681	Cr 729		Cr 374	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	Cr 6,416	Cr 6,416	0		0	0
Cr 20,883	Total Excluded Recharges	Cr 16,781	Cr 19,017	Cr 19,017	0		0	0
Cr 1,439	Less: R&M allocated across other Portfolios	Cr 1,529	Cr 1,411	Cr 1,411	0		113	0
824	Less: Rent allocated across other Portfolios	811	866	866	0		Cr 3	0
23,262	TOTAL	29,814	23,432	22,703	Cr 729		Cr 264	0
23,262	TOTAL RESOURCES PORTFOLIO	29,814	23,432	22,703	Cr 729		Cr 264	0
	Memorandum Item							
	Sold Services							
42	Facilities (Caretaking) Schools Trading Account	6	24	45	21		21	0
Cr 9	Reactive Maintenance Schools Trading Account	Cr 12	5	Cr 4	Cr 9		Cr 7	0
33	Total Sold Services	Cr 6	29	41	12		14	0

Reconciliation of Final Budget**£'000****Original budget 2016/17****29,814**

IT BT Transition Costs	77
IT upgrade at Anerley Business Centre	30
Transparency Agenda	14
Residential Property Acquisitions (SPV) - Advice	291
Repairs and Maintenance	166
Debt Management System - grant related expenditure	177
Debt Management System - grant related income	Cr 177
Electoral IER - grant related expenditure	73
Electoral IER - grant related income	Cr 73
Contract Register/Summaries Database	50
Staff Merit Awards	89
Inflation adjustment	55
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
Drawdown of Staff Merit Award 16/17	119
Transfer of Staff Merit Award (allocated across portfolio)	Cr 152
Liberata - Financial Review of TPTU's	4
Legal counsel cost	50

Memorandum Items

Capital Charges	1,562
Insurance	Cr 2
Rent Income - Other Portfolios	55
Repairs & Maintenance - Other Portfolios	253
IAS19 (FRS17) & Pension Adjustments	Cr 8,935
Excluded Recharges	Cr 524

Latest Approved Budget for 2016/17**23,432**

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

1. Exchequer - Revenues and Benefits Cr £88k

Overall there is a net underspend of £88k for the Revenues and Benefits service. This is made up of the following variances:

Grants of £309k were received from the Department of Work and Pensions and the Department of Communities and Local Government. This mainly includes Benefit Caps, New Burdens, and the Fraud and Error Reduction Incentive Scheme (FERIS).

There were additional one-off costs of £230k for the purchase of Capita Connect software. This relates to the Advantage Digital Platform (ADP) system which allows access to Council Tax, Benefits, Landlord services and Business rates via the MyBromley Account registration.

Contract payments made to Liberata are £40k below budget. This was due to a reduction in cash collections, fewer payslips (resulting from academy conversions) and the introduction of mono-printing.

An additional payment of £261k was made to Liberata as an incentive scheme payment reflecting contractual terms for over achieving the Council Tax Collection targets, which effectively resulted in a significantly higher level of income received by the Council.

Extra income of £175k was collected from charges related to summons raised. This is linked with the higher recovery rates for the collection of Council Tax.

Due to a number of vacant posts the staffing budget was underspent by £80k. Other minor variations totalled Dr £25k.

Summary of variations within Exchequer - Revenues & Benefits		£000
Collection of income from grants	Cr	309
Capital Connect software		230
Liberata contract payments	Cr	40
Incentive Scheme (Liberata)		261
<u>Collection of income from charges related to summons raised</u>	Cr	<u>175</u>
Staffing vacancies	Cr	80
Other minor variations		25
Total Variation	Cr	<u>88</u>

2. Exchequer - Payments & Income Cr £26k

There was an underspend on staffing of £14k as a result of part year vacancies and a £12k underspend across other budgets.

3. Financial Accounting Cr £41k

This variance is partly due to vacancies that have arisen during the year and partly due to underspends on general running expenses.

4. Management Accounting Cr £66k

Vacancies within the Management Accounting teams have resulted in an underspend of £70k. This is partly offset by minor net variations of £4k across supplies and services budgets.

5. Audit Cr £40k

A reduction in the external audit fee has resulted in an underspend of £16k. Other minor variations totalled Cr £24k. Executive are requested to agree a carry forward of £40k to buy in additional audit time from Mazars through the Framework to cover for a long term sickness, Head of Audit handover and legal costs for prosecutions.

CORPORATE SERVICES DIVISION

6. ISD Cr £50k

This variation was mainly due to an underspend on the variable element of the B.T contract which includes service desk activities, hardware support levels, and service requests raised.

7. Electoral Dr £1k

Minor variations of Dr £1k across the Electoral service. A grant of £47k was received in March 16, from the Cabinet Office to support the changes required for the Individual Electoral Registration. Due to the late notification of this funding it was not possible to spend it in 2016/17. A request to carry forward both the expenditure and grant income budget has been submitted.

8. Democratic Services Cr £28k

The budget for Member allowances was underspent by £35k. This more than offset the overspend of £7k for staff overtime and running expenses.

9. Registration of Births, Deaths & Marriages Cr £31k

The variation across the service is made up of £58k surplus income from civic centre marriages and nationality checks which offsets the additional related costs of £27k for staffing and running expenses.

10. Legal Services Dr £51k

Costs of £194k were incurred for counsel fees, court fees and other legal expenses, mainly due to the high volume of child care cases dealt within this financial year, which far exceeded previous years. This was partly offset by £106k additional recharge to Capital as several investment property purchases were completed. Other minor variations totalled Dr £13k.

On 22nd March 2017, the Executive agreed to allocate £50k from the Central Contingency to meet the Counsel Fees that may be incurred for an inquest expected to be heard between 10th July and 11th August 2017. A carry forward request for £50k has been made to the June Executive to meet the cost of preparatory works and the Counsel costs during the hearing.

Summary of variations within Legal Services

	£000
Costs for counsel fees, court fees & legal expenses	194
Additional charges to capital relating to investment property purchases	Cr 106
Other minor variations	13
Future costs of inquest (Carry forward request)	Cr 50
Total Variation	<u>51</u>

11. Management and Other (Corporate Services) Dr £16k

This variation mainly relates to a saving of £20k that was built into the 2015/16 budget that has not yet been delivered. This has been partly offset by a £4k underspend on staffing expenses. For the 17/18 budget, alternative savings have been identified to ensure a balanced budget.

HR DIVISION

12. Human Resources Cr £16k

This underspend was the result of part year vacancies and additional income from schools.

COMMISSIONING AND PROCUREMENT DIVISION

13. Procurement and Data Management Cr £66k

The Procurement and Data Management service has an overall underspend of £66k. This is the result of a net underspend of £32k on staffing due to part year vacancies and £15k on the MFD contract. Other minor variations across the service total £19k. A request will be submitted to the Executive to carry forward £50k to 2017/18 to enable the completion of the development of the Contract Database system.

14. Commissioning Cr £21k

There is an underspend of £32k within staffing due to a combination of part year vacancies and variation in contracted hours. Other minor variations totalled Dr £11k.

15. Debt Management System £0k

A request to carry forward both the expenditure and grant income budgets of £99k has been submitted to enable completion of the development of the debt management system.

CHIEF EXECUTIVES DIVISION

16. Management and other (Chief Executive) Cr £68k

A sum of £55k was carried forward from 2015/16 to fund the contracted specialist consultancy work and counsel advice relating to the Noise Action Plan for Biggin Hill Airport. As only £11k has been spent during 2016/17, Executive are requested to approve a carry forward of the remaining £44k set aside for the Biggin Hill Airport project in order to complete the work in 2017/18. Other underspends include £21k on staffing as a result of part year vacancies and £3k within supplies and services.

17. Mayoral Dr £37k

An increase in the number of engagements and events has led to an overspend on overtime and running expenses of £22k. The savings target of £15k has also not been achieved, resulting in an overspend of £37k for the service.

ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT

18. Admin Buildings & Facilities Support Dr £34k

There is an overall net overspend of £34k for Admin Building and Facilities Support. This includes £15k overspend on staffing as consultation began in March/April and costs were incurred in 2016/17 for pay in lieu of notice. There is also a £23k reduction in income due to a decrease in the number of staff paying for parking spaces at the Civic Centre. This has been partly offset by minor variations across other budgets of Cr £4k.

19. Investment and Non-Operational Property Cr £16k

A delay in the transfer of Anerley Business Centre to the Crystal Palace Community Development Trust (CPCDT) has resulted in additional costs of £74k being incurred. This was more than offset by additional income from tenancies in the building.

The Surplus Property budget overspent by £28k as costs were incurred for a number of properties waiting to be sold. This was more than offset by a saving on premises costs for Exchequer House and Sundry properties of £101k, mainly from business rates.

Other minor variations totalled Cr £17k.

Summary of variations within Investment & Non- Operational Property	£000
Delay in transfer of Anerley Business Centre	74
Surplus Properties	28
Exchequer House and Sundry properties	Cr 101
Other net variations	Cr 17
Total Variation	Cr 16

20. Strategic & Operational Property Cr £45k

Part year net savings of £60k have been realised from the new Total Facilities Management contract after taking account of the £40k saving that was built in the budget. The Walnuts boiler plant was £22k overspent and other minor variations totalled Cr £7k within staffing and running expenses.

Summary of variations within Strategic & Operational Property	£000
Net savings of the TFM contract	Cr 60
Walnuts Boiler Plant	22
Other net variations	Cr 7
Total Variation	Cr 45

21. Other Rental Income - Other Portfolios Cr £55k

There is an overall net surplus of £55k rental income from various properties in other Portfolios. This is mainly due to £50k additional income from the Depots with other minor variations totalling £5k.

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

Within the Repairs & Maintenance budget there is an underspend of £113k 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 was approved by Executive on 22nd March 2017.

Waiver of Financial Regulations:

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

£170k cumulative contract value for funeral arrangements for members of the community to fulfill statutory obligations. Extension for two years.

Virements Approved to date under Director's Delegated Powers

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

- 1) Virement of £8k from Management Accounting to Audit for additional audit investigation works
- 2) Virement of £3.7k from Adult Social Care to Exchequer for financial review work on third party top ups.

Allocation of Contingency Provision for 2016/17

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision	Request to Carry Forward
		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	119,000	0	206,800	Cr 1,461,200	81,000
Impact of Chancellor's Summer Budget 2015 on future costs	4,250,000	1,189,000		0	1,189,000	(1)&(10) Cr 3,061,000	
Increase in Cost of Homelessness/Impact of Welfare Reforms	2,983,000	760,000	Cr 88,000	0	672,000	(7) Cr 2,311,000	
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			0	0	Cr 2,182,000	
Impact of conversion of schools to academies	1,137,000	216,000	454,083	0	670,083	(2) Cr 466,917	
Retained Welfare Fund	450,000	100,000		0	100,000	(10) Cr 350,000	
Deprivation of Liberty	184,000	66,000		0	66,000	(7) Cr 118,000	
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			0	0	Cr 293,000	
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	3,311,000	0	7,311,000	(10) 7,311,000	
Legal / Counsel Costs	0	50,000		0	50,000	(10) 50,000	
	15,416,000	8,269,100	3,796,083	0	12,065,183	Cr 3,350,817	81,000
Grants included within Central Contingency Sum							
SEND Implementation Grant (New Burdens)							
Grant related expenditure	201,000	180,000		0	180,000	(2) Cr 21,000	20,703
Grant related income	Cr 201,000	Cr 180,000		0	Cr 180,000	21,000	Cr 20,703
Tackling Troubled Families Grant							
Grant related expenditure	675,400			0	0	Cr 675,400	Cr 675,400
Grant related income	Cr 675,400			0	0	675,400	675,400
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	
Fire Safety Grant							
Grant related expenditure						56,589	56,589
Grant related income						Cr 56,589	Cr 56,589
Total Grants	213,000	213,000	0	0	213,000	0	0
TOTAL CARRIED FORWARD	15,629,000	8,482,100	3,796,083	0	12,278,183	Cr 3,350,817	81,000

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
- (10) Executive 22nd March 2017

Allocation of Contingency Provision for 2016/17 (continued)

Item	Carried Forward from 2015/16	Allocations				Variation to Original Contingency Provision	Request to Carry Forward
		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	8,482,100	3,796,083	0	12,278,183	Cr 3,350,817	81,000
Items Carried Forward from 2015/16							
Care Services							
Social Care Funding via the CCG under S256 agreements							
Adult Social Care Invest to Save Schemes							
- expenditure	48,170	48,170		0	48,170	(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		351,480	0	351,480		0
- income	Cr 351,480		Cr 351,480	0	Cr 351,480		0
Winter Resilience Funding 2015/16 (Bromley CCG)							
- expenditure	116,750		116,750	0	116,750		0
- income	Cr 116,750		Cr 116,750	0	Cr 116,750		0
Helping People Home							
- expenditure	40,000			0	0	Cr	40,000
- income	Cr 40,000			0	0		Cr 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	424,184	0	1,172,184	(8)	0
- income	Cr 1,172,184	Cr 748,000	Cr 424,184	0	Cr 1,172,184		0
Step Up to Social Work							
- expenditure	72,159		72,159	0	72,159		0
- income	Cr 72,159		Cr 72,159	0	Cr 72,159		0
Public Health							
- expenditure	292,700			0	0	Cr	292,700
- income	Cr 292,700			0	0		Cr 292,700
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	(10)	0
- income	Cr 80,000	Cr 80,000		0	Cr 80,000		0
London SEND Regional Lead Grant							
- expenditure	15,000	15,000		0	15,000	(10)	0
- income	Cr 15,000	Cr 15,000		0	Cr 15,000		0

Item	Carried Forward from 2015/16	Allocations				Variation to Original Contingency Provision	Request to Carry Forward
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year		
	£	£	£	£	£	£	£
Early Years Grant							
- expenditure	14,800			0	0	Cr 14,800	14,800
- income	Cr 14,800			0	0	14,800	Cr 14,800
Public Protection & Safety							
Domestic Abuse							
- expenditure	60,610	60,610		0	60,610	(4) 0	0
- income	Cr 60,610	Cr 60,610		0	Cr 60,610	0	0
Environment Portfolio							
Drainage/Lead Flood Grant							
- expenditure	69,482	69,482		0	69,482	(2) 0	0
- income	Cr 69,482	Cr 69,482		0	Cr 69,482	0	0
WEEE Grant							
- expenditure	13,090	13,090		0	13,090	(2) 0	0
- income	Cr 13,090	Cr 13,090		0	Cr 13,090	0	0
General							
YOS Service Strategy Review	97,000	97,000		0	97,000	(9) 0	0
Consultancy Support (Place Planning & Schools)	40,000	40,000		0	40,000	(10) 0	0
Parking - Automated Cameras - Bus Lanes	180,000			0	0	(2) Cr 180,000	0
Parking - Automated Cameras - Non Bus Lanes	126,000			0	0	(2) Cr 126,000	0
Local Plan Implementation	47,322	47,322		0	47,322	(5) 0	0
Biggin Hill Airport - Noise Action Plan	54,870	54,870		0	54,870	(5) 0	0
Biggin Hill Memorial Museum	47,400	47,400		0	47,400	(5) 0	0
IT - BT Transition Costs	77,000	77,000		0	77,000	(6) 0	0
IT upgrade at Anerley Business Centre	30,000	30,000		0	30,000	(6) 0	0
Transparency Agenda	14,000	14,000		0	14,000	(6) 0	0
Staff Merit Awards	89,170	89,170		0	89,170	(6) 0	0
Residential Property Acquisitions (SPV) - Advice	291,000	291,000		0	291,000	(6) 0	0
Civic Centre Development Strategy	257,500	257,500		0	257,500	(10) 0	0
Contracts Register/Summaries Database	50,000	50,000		0	50,000	(6) 0	0
	1,401,262	1,095,262	0	0	1,095,262	Cr 306,000	0
Total Carried Forward from 2015/16	1,401,262	1,095,262	0	0	1,095,262	Cr 306,000	0
GRAND TOTAL	17,030,262	9,577,362	3,796,083	0	13,373,445	Cr 3,656,817	81,000

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
- (10) Executive 22nd March 2017

Description	2016/17 Final Approved Budget £'000	Variation To 2016/17 Budget £'000	Potential Impact in 2017/18
SEN Transport	3,645	504	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	6,962	165	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	1,344	The full year impact of the current overspend is estimated at £1,223k, mainly in relation to domiciliary care and direct payment packages.
Learning Disabilities - Care Placements and Care Management	30,402	630	The full year effect is estimated at an overspend of £672k which is slightly higher than the current year's overall overspend. However, once non-recurrent underspends are excluded from the current year's variation, the FYE shows a reduction on the current year's position. 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. The full year effect in this report does not include any planned activity beyond 31/3/17, neither savings nor cost pressures such as transition, nor does it take into account further budget reductions in 2017/18.
Mental Health - Care Placements	5,807	Cr 219	The full year impact of the current year's underspend on Mental Health is Cr £118k. The 2016/17 position includes non-recurrent underspends and the underlying trend is one of slight upward cost pressures, including reduced funding contributions.
Supporting People	1,051	56	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	27,533	3,849	The current full year effect impact for CSC is estimated at £2,665k. This can be analysed as £636k on placements, £35k for no recourse to public funds clients, £1,382k on leaving care clients and £612k on Care Proceedings (Public Law Outline).
Investment income	Cr 9,542	240	Although there is a net deficit of £240k for rental income from Investment properties, three properties were recently purchased and it is anticipated that there will be a surplus in future years.
Waste	17,510	501	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.
Parking	Cr 7,080	345	The increase in contraventions for bus lanes and parking is not expected to continue into future years (Cr £403k). 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 next year. No FYE is therefore projected for these variances.

Description	2016/17 Final Approved Budget £'000	Variation To 2016/17 Budget £'000	Potential Impact in 2017/18
Mortuary and Coroners Service	395	113	Latest information from LB Croydon indicate that the costs for the Coroners Service for 2017/18 are likely to be £318k, which is £48k above the 2017/18 budget. Costs are likely to increase further in 2018/19 to account for the full impact of the rental of the new premises together with the impact of the staffing review that is due to be undertaken in 2017/18.

Carry Forwards from 2016/17 to 2017/18

WITHIN DELEGATED AUTHORITY £ £

RESOURCES PORTFOLIO

1 Repairs and Maintenance (All Departments) 113,000

The Property & Finance Sub-Committee, in December 2001, agreed for a carry forward to be made at the end of each financial year of revenue underspends on landlord building maintenance. This was on the basis that Property will continue to seek to contain total expenditure within approved annual budgets.

A request to carry forward £113k for the reconstruction works of the Central Depot wall was agreed by Executive on 22nd March 2017. The work is proving to be more complex than originally anticipated and significant repairs are required to ensure the continued stability of the wall.

MEMBERS' APPROVAL REQUIRED**Grants with Explicit Right of Repayment****CARE SERVICES PORTFOLIO**

**2 Social Care Funding via the CCG under s256 Agreements:
Integration Funding - Better Care Fund** 28,170

The 2014/15 funding transfer from NHS England included a £992k one-off integration payment which formed the first part of the Better Care Fund. Of this, £300k was carried forward into 2016/17 and the remaining unspent balance of £28k is required in 2017/18 to support the development of integrated commissioning.

3 Better Care Fund 25,000
2015/16 Better Care Fund - GoodGym
2016/17 Better Care Fund 132,190

2016/17 has been the second full year of operation for the Better Care Fund (BCF). Some BCF allocations, including those for reablement, carers and dementia, were not fully spent by 31st March 2017 and underspends are required to be carried forward for spending on BCF activities in 2017/18. This funding will be allocated to agreed projects together with new BCF funding for 2017/18.

£25,000 has been allocated from Better Care Funding brought forward from 2015/16 for the new GoodGym service in 2017/18 and 2018/19. The service helps to reduce isolation and loneliness, improves wellbeing, increases volunteering and connects communities.

4 Helping People Home Grant 40,000

On 27th January 2015 LBB received notification from the DCLG that we would be receiving additional funding via a DOH section 31 grant in 2014/15 to "help address the current pressures on acute hospitals that serve your area because of delayed discharges to social care for your residents". The grant allocation was £120,000. Following on from this a further notification was received on the 25th March 2015 notifying us of an additional £40,000 for extension of the scheme. This amount was not utilised at the time and needs to be carried forward for possible repayment, or continuation of services with agreement from the DOH.

5 DCLG Preventing Homelessness Grant 152,551

This grant is to be used to fund a pilot around early intensive intervention to increase homeless prevention and access to privately rented accommodation as part of the initiatives to reduce the current homelessness and temporary accommodation pressures. This pilot required the recruitment of staff to allow it to start and this was completed during 2016/17, however the recruitment process was not completed earlier enough into the year for the grant to be fully spent due 2016/17. The staff are on a fixed term contract and this funding is required to support these posts.

6 Fire Safety Grant (in contingency) 56,589

A successful bid was made in February 2017 for a grant from the London Fire and Emergency Planning Authority for the provision of stand alone smoke detectors and fire retardant bedding and clothing for vulnerable clients. A carry forward is requested for this grant sum of £56,589 as the services as set out in the grant conditions will be carried out in 2017/18.

Care Services Portfolio

434,500

RENEWAL AND RECREATION PORTFOLIO

7	New Home Bonus - Town Centre Management There is an underspend of £23k relating to the two NHB top slice projects within Orpington and Penge, and a request will be submitted to the Executive to carry forward this amount in order to complete the specific projects which will be completed during 2017/18 as agreed with the GLA.	23,446
8	New Homes Bonus - Regeneration There are 4 NHB top slice revenue projects which secured funding agreed through LEP in 2015/16. These were due to be delivered over 2 years commencing in 2015/16. The 4 projects include: Penge town centre and Orpington town centre (a proportion of which was allocated to TCM and is included in a separate carry forward request), Biggin Hill Technology & Enterprise centre and Lagoon Rd industrial estate refurbishment. At the end of 2016/17 £306,126 of budget had not yet been utilised and a carry forward has been requested so that the associated project work can be completed in 2017/18 as agreed with the GLA.	306,126
Renewal and Recreation Portfolio		329,572
Total Expenditure to be Carried Forward		764,072
Total Grant Income		-764,072

Grants with no Explicit Right of Repayment**RESOURCES PORTFOLIO**

9	Electoral Services - Cabinet Office funding for IER Grant income of £47,117 was received in March 16, from the Cabinet Office to support the changes required for the Individual Electoral Registration. Due to the late notification of this funding it was not possible to spend it in 2016/17 and it is therefore requested to carry forward this sum to 2017/18.	47,117
10	Debt Management System Project - Transformation Grant Transformation grant of £344k was received during March 2016 and was set aside to fund the new Debt Management System. To date £245k has been spent however the balance is needed to meet the costs of finalising the system during 2017/18. It is therefore requested to carry this sum forward to 2017/18.	99,267
Resources Portfolio		146,384

CARE SERVICES PORTFOLIO

11	Tackling Troubled Families Grant This grant is to fund the development of an ongoing programme to support families who have multi faceted problems including involvement in crime and anti social behaviour with children not in education, training or employment. This support is delivered through a number of work streams cross cutting across council departments and agencies. The sum represents the underspend 2016/17.	675,400
12	Public Health Grant The Public Health Grant underspent by £141k in 2014/15 and by £152k in 2015/16. This total balance of £293k was carried forward to 2016/17 to fund public health initiatives as per the terms of the grant, however it was not required this year as there was a underspend of £330k in year. This cumulative balance is requested to be carried forward to fund public health initiatives that may arise in 2017/18.	623,290
13	Implementing Welfare Reform Changes The funds provided were to meet the cost of implementing welfare reform. Caseloads are likely to increase substantially. For some families that we have assisted through budgeting the current benefit cap, they will no longer be able to afford to meet their rent payments. This funding will need to be drawn down during the following year to help mitigate the impact and potential increase in homelessness resulting from these changes. In addition there have been delays in implementing Universal Credit nationally. Roll out for the Bromley area commenced in January 2016. The funding will therefore be needed to cover the costs of local implementation.	56,219
14	Community Housing Fund Grant This grant was introduced this year. Its intention is to support local community affordable housing schemes. The aim is to build capacity with local groups and the Council is currently looking at proposals to work with partners on projects that meet the grant objectives	62,408
Care Services Portfolio		1,417,317

EDUCATION PORTFOLIO

15	Early Years Grant - Supporting early education of disadvantaged children It has taken longer than expected to work through the IT related agreements to purchase software and implement the changes needed with the introduction of additional hours of early years funding. To support this there will be a need to use the grant for additional hours for staff to steer the activity through to completion which the conditions of the grant allow.	14,800
16	LA conversion Academies sponsor support This grant is to support the conversion of our remaining Schools into Academies. The grant was received late in 2016/17 and was unable to spent in 2016/17	28,000
17	High Needs Strategic Planning Fund Grant received late in 2016/17 and was unable to spent in year. Grant is to be used to review the services we support via the High Needs DSG Block. We are currently in the process of employing someone to carry out the review.	139,624
18	SEN Reform Grant This grant is to support a three year Government specified programme for the transition of statements into Education Health and Care Plans (EHCP). The underspends in 2016/17 are required to continue to support this work in 2017/18 to meet the three year Government deadline. Bromley is the lead partner with Enfield.	20,703
19	SEN Pathfinder Grant This grant is to support our role as a Pathfinder Champion. This role has benefited the local authority in accessing high quality training and innovative practice. The carry forward of this grant allows the delivery of the training programme to continue.	14,427
Education Portfolio		217,554
<u>R&R Portfolio</u>		
20	Planning Strategy & Projects - Custom Build Grant The Custom Build Grant £15,000 and the New burdens funding for the Brownfield register of £14,645 was received in March 16 from DCLG. Due to the late notification of this funding it was not possible to spend it in 2016/17 and it is therefore requested to carry forward this sum to 2017/18.	29,645
R&R Portfolio		29,645
Total Expenditure to be Carried Forward		1,810,900
Total Grant Income		-1,810,900

OTHER CARRY FORWARD REQUESTS**RESOURCES PORTFOLIO**

21	Audit - Additional investigation works Members are requested to approve a carry forward of £40k to buy in additional audit time from Mazars through the Framework to cover for a long term sickness, Head of Audit handover and legal costs for prosecutions.	40,000
22	Debt Management System Due to delayed go-live of the Aspien Corporate Debt Recovery system & Single View Project along with the complexities of the development additional resources are required. It is therefore requested to carry forward £25k from the underspend on Financial Services to fund the remaining implementation costs of the Debt Management System.	25,000
23	Contract Register / Summaries Database A sum of £50k was previously carried forward to top up existing resources to assist with the development of the Contracts Database (CDB). This was to improve contract management, generate the registers used for reporting key information to Contracts Sub-Committee and the PDS committees, and contribute to the Commissioning agenda. There was a delay on project delivery due to coding and content-building capacity. In addition, more works are required in 2017/18 to improve the CDB's content and functionality. This also includes improving the quality of the data and risk management. The Executive is requested to agree to carry forward this sum into 2017/18 to enable the completion of the scheme.	50,000
24	Biggin Hill Airport Noise Action Plan A sum of £55k was carried forward from 2015/16 to fund the contracted specialist expert acoustic advice and other potential advice needed relating to the introduction of the Noise Action Plan for Biggin Hill Airport. Work activity, including the need for Cole Jarman's expert acoustic advice has continued into the current financial year, with the peak of this work occurring later than originally envisaged and beyond the Council's control. The Executive are therefore requested to approve a carry forward of the £44k underspend on the Biggin Hill Airport project.	43,700

25	Legal Counsel Cost	50,000
	On 22nd March 2017, Executive agreed to allocate £50k from the central contingency to meet the Counsel Fees for an inquest listed for hearing between 10th July to 11th August 2017, where the Council has been cited as an interested party in the matter. A carry forward request is submitted as the preparatory works and the conduct of the hearing will be carried out in 2017/18.	
26	Merit Rewards (in contingency)	80,970
	As part of introduction of Localised Pay, Members agreed a merited reward for exceptional performers, and a provision of £200k was included in the Central Contingency. This was to reward the performance of employees. £119k was awarded in 2016/17 and a balance of £81k remains to be paid out during 2017/18. This amount is therefore requested to be carried forward.	
<u>ENVIRONMENT PORTFOLIO</u>		
27	Green Garden Waste - Debt Management System	120,000
	A carry forward of £120k is requested from the £200k surplus for the Green Garden Waste service towards the Aspien Corporate Debt Recovery & Single View project. The carry forward is requested in order to fund the introduction of Direct Debit payments for the Green Garden Waste Service, an extension to the Debt Management system project. The new system will separate the financial and operational functions in preparation for the new contractual arrangements for the service in 2019. It will enable officers to collect the income in a more timely fashion through direct debits. This will make the service more efficient, providing easier cash reconciliation and debt management, and provide customers with an alternative method of payment.	
<u>RENEWAL AND RECREATION PORTFOLIO</u>		
28	Local Plan Implementation	37,427
	Of the £47k carried-forward from 2015/16 for the Local Plan Implementation, only £10k was spent, and therefore a further carry-forward request is being submitted for £37k so that the costs of the Examination in Public can be met in 2017/18 and to undertake any further evidence work required.	
Total Other		<u>447,097</u>
Net Total Requiring Approval		<u>447,097</u>
TOTAL CARRY FORWARD TO 2017/18		560,097

EARMARKED GENERAL FUND BALANCES - 2016/17

Description	Balance at 31/03/2016	Expenditure	Income		Balance at 31/03/2017
			Contribs.	Interest	
	£'000	£'000	£'000	£'000	£'000
EARMARKED BALANCES					
LPSA Reward Grant	121	45			76
Technology Fund	1,853	150		28	1,731
LAA Pump Priming Grant	750	595			155
Town Centre Improvement Fund (LABGI)	55				55
Transformation Fund	3,013	1,995			1,018
Investment to Community	578	48			530
R & R Redundancy Reserve	116				116
Works to Property	100				100
Building Control Charging Account	131	131	182		182
Government Grants	2,257	2,257	1,811		1,811
Invest to Save	13,381	55	1,451		14,777
Bromley Welcare	29				29
One off Member Initiatives	1,566	234			1,332
Infrastructure Investment Fund	2,000				2,000
Commissioning Authority Programme	55				55
Health & Social Care 'Promise Programme'	5,953	2,000			3,953
Housing Strategy Account	25				25
Community Right to Bid & Challenge	46				46
Glades Refurbishment	7	7			0
Investment Fund	3,769	6,630	7,482		4,621
Winter Pressures	1,542				1,542
Refurbishment of War Memorials	13				13
Key Health & Social Care Initiatives	1,700				1,700
Integration of Health & Social Care Initiatives	1,614				1,614
Collection Fund Surplus Set Aside	0		4,912		4,912
Healthy Bromley Fund	3,815				3,815
Glaxo Wellcome Endowment	175	23		2	154
Cheyne Woods and Cyphers Gate	173	10			163
Public Halls Fund	7				7
Future Repairs of 145, High Street	19		12		31
Parallel Fund	2,809	109			2,700
Growth Fund	29,483	14,369	4,000		19,114
Health & Social Care Integrated Commissioning Fund	4,550				4,550
Financial Planning & Risk Reserve	5,000				5,000
Bromley Welfare Fund	970				970
Payment in Lieu Reserve for Temporary Accommodation	51		34		85
Business Rates Risk Reserve	4,200				4,200
One Off Expenditure in 2016/17 (inc. TFM Contract)	461	309			152
Crystal Palace Park Improvements	238	93			145
Various Joint Schemes and Pump Priming Investments	3,100	94			3,006
<u>New Reserves Set Up in 2016/17</u>					
Transition Fund		1,500	2,068		568
Children's Social Care Transition Fund			1,500		1,500
Environmental Initiatives			500		500
Planning/Planning Enforcement			250		250
Apprenticeship Scheme			200		200
Civic Centre Development Strategy			257		257
Subject to Approval by Executive 20th June 2017					
CSC Recruitment & Retention			855		855
Professional Advice for Future Schemes			147		147
Various Joint Schemes & Pump Priming			2,000		2,000
Winter Resilience			468		468
Growth Fund			3,311		3,311
Sub-Total	95,725	30,654	31,440	30	96,541
Schools	4,017	1,786	390		2,621
Insurance Fund	3,099	607	800	81	3,373
TOTAL	102,841	33,047	32,630	111	102,535

Note: Members should note that the balance at 31/3/2017 represents the "cash" balance and in some cases the monies shown will already be committed for future years on various schemes.

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 Mar 2017 £000
<u>Restated Revenue</u>					<u>Revenue</u>
374	Highway Improvement Works	168	-	-	542
45	Road Safety Schemes	10	13	-	42
151	Local Economy & Town Centres	-	-	(106)	45
76	Parking	2	-	-	78
1,143	Healthcare Services	102	521	-	724
10	Community Facilities (to be transferred to capital)	-	-	-	10
310	Other	1	-	-	311
2,109		283	534	(106)	1,752
	<u>Capital</u>				<u>Capital</u>
2,801	Education	339	250	-	2,890
5,181	Housing	737	1,007	-	4,911
-	Local Economy & Town Centres	-	9	106	97
81	Highway Improvement Works	1	-	-	82
8,063		1,077	1,266	106	7,980
10,172		1,360	1,800	-	9,732

SCHOOLS' DELEGATED BUDGETS

Consistent Financial Report (CFR) is a framework of income and expenditure items and balances, which provides schools with a benchmark facility to allow them to promote self-management and value for money. A CFR return has been produced by all schools maintained by the LA as at 31 March 2017.

The CFR framework details five balances, which provide an overall picture of the resources available to the school from one year to the next, and give information about any carried forward balances. The balances are categorised as follows:

- B01: Committed Revenue Balances
- B02: Uncommitted Revenue Balances
- B03: Devolved Formula Capital Balances
- B05: Other Capital Balances
- B06: Community Focussed Extended Schools Balances

N.B. B04 Other Standards Fund Capital Balances has now been removed as Standards Funds no longer exist.

The following table shows schools' reserves as at 31 March 2017, the end of the 2016/17 financial year. The table below shows an overall decrease in balances of £1,396k (decrease from £4,017k to £2,621k). This decrease can be seen to be across both revenue and capital balances and across each of the school sectors as detailed below.

	Nos	Accrued Balances at 1 April 2016 £'000	Under/ Over (-) Expenditure in 2016/17 £'000	Accrued Balances at 31 March 2017 £'000	Analysis of Balances as at 31 March 2017					
					Committed Revenue £'000	Uncommitted Revenue £'000	Devolved Formula Capital £'000	Other Capital £'000	Community Focussed Extended Services £'000	Total Balances £'000
Primary Schools	10	2,765	-1,470	1,295	295	955	40	0	5	1,295
Secondary Schools	1	461	40	501	40	461	0	0	0	501
Special Schools	3	791	34	825	66	717	1	0	41	825
Total	14	4,017	-1,396	2,621	401	2,133	41	0	46	2,621

THE SCHOOLS BUDGET

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 year's Schools Budget.

There is a total in year underspent of £226k on DSG funded services as outlined below. As agreed by the Portfolio Holder for Education following the meeting of the Education Sub-Committee on 6th January 2015, £3.5m was distributed as a one-off payment to schools in 2015/16, £3m will be set aside for the refurbishment of Beacon House (this has now been fully paid), and £2m used to contain growth in 2016/17.

An analysis of the main variations is provided below:

	£000 Outturn Variance
Beacon House Refurbishment	1,572
Bulge Classes (inc Modular classroom rentals)	379
SEN - Placements	Cr 482
SEN - Other Variations	Cr 353
Free Early Education	Cr 651
FAP Payments	117
Standard Fund Grant	Cr 745
Other Variations	Cr 63
Final Outturn	Cr 226

The most significant variations above are:-

- a) The £1.572k costs for Beacon House relate to the refurbishment of the property following its purchase. These are the final costs. The budget for this project was approved in 2015/16.
- b) There is a continued increase in the requirement for bulge classes, and for the first time, a need for them at secondary level, a year earlier than had been anticipated, resulting in an overspend of £379k on the £2.5m budget. This includes a £229k overspend relating to the rental of temporary modular classrooms for bulge classes.
- c) SEN placements and support costs has underspent by a total of £482k. The underspend is mainly due to higher than expected spend on children attending Independent Day Schools (£435k) and Maintained Day Schools (£233k). These overspends are then offset with underspends on spend for children being placed in Independent Boarding schools (£866k), Maintained Boarding schools (£78k) and higher than expected income to be collected (£53k).
- d) Free Early Years Education has underspent by £651k this year. This is down to the £141k underspend for the 2 year old age and an underspend £510k for the year in the 3 & 4 years age.

INVEST TO SAVE FUND

This earmarked reserve was set up with a sum of £14m, as approved by Council in October 2011, to enable "loans" to be provided for Invest to Save initiatives. Advances are to be repaid within a "reasonable" period with schemes providing on-going revenue savings to contribute towards reducing the budget gap. In February 2012, Executive agreed that the one-off Council Tax Freeze grant in 2012/13 be added to the Fund, bringing the total contributions up to £17,304k.

Five schemes have been approved to date and, as at 31st March 2017, the actual balance on the Fund stood at £14,777k as detailed in the table below:

Scheme	Approval date (Council/Exec)	Contrib- utions £'000	To 31st March 2017			
			Approved "loans" £'000	Advanced from Fund £'000	Repaid to Fund £'000	Net "loan" 31/03/17 £'000
Approved funding						
Initial Funding allocation	Oct-11	14,000				
Council Tax Freeze grant	Feb-12	3,304				
Approved schemes						
Green waste/textile collection service	Dec-11		220	220	220	0
Replace street lighting columns	Nov-12		8507	8435	6097	2338
Bellegrave - refurbishment	Jan-13		400	508	508	0
Stamented pupils - travel training	Apr 13 & Jul 14		460	272	262	10
Transfer CSC to Liberata	Sep-13		330	322	143	179
			17,304	9,917	9,757	7,230
Actual Fund balance 31/03/17						14,777