

Decision Maker: EXECUTIVE

Date: Wednesday 11 July 2018

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2018/19

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Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report provides the first budget monitoring position for 2018/19 based on expenditure and activity levels up to the end of May 2018. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.
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2. RECOMMENDATION(S)

2.1 Executive are requested to:

- (a) consider the latest financial position;
- (b) note that a projected net overspend on services of £1,679k is forecast based on information as at May 2018;
- (c) consider the comments from Chief Officers detailed in Appendix 2;
- (d) note a projected variation of £219k debit from investment income as detailed in sections 3.6 and 3.7;
- (e) note the carry forwards being requested for drawdown as detailed in section 3.3;
- (f) note a projected reduction to the General Fund balance of £2,396k as detailed in section 3.4;
- (g) note the full year cost pressures of £2.8m as detailed in section 3.5;

- (h) agree to the release of £400k relating to the cost of Local Elections from the 2018/19 Central Contingency as detailed in para. 3.2.2;**
- (i) agree to the release of £28k SEND Pathfinder grant from the 2018/19 Central Contingency as detailed in para. 3.2.3;**
- (j) note the return to the Central Contingency of £961k as detailed in para. 3.2.4;**
- (k) identify any issues that should be referred to individual Portfolio Holders for further action.**

Impact on Vulnerable Adults and Children

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

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

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £205.6m
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
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Personnel

1. Number of staff (current and additional): 2,038 fte posts (per 2018/19 Budget) which includes 504 for budgets delegated 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 Local Government Act 2000, the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
 2. Call-in: Applicable
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Procurement

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

1. Estimated number of users/beneficiaries (current and projected): The 2018/19 budget reflects the financial impact of the Council's strategies and service plans which impact on all of the Council's customers (including council tax payers) and users of our services.
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Ward Councillor Views

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

3. COMMENTARY

3.1 Summary of Projected Variations

3.1.1 The Resources Portfolio Plan included a target that each service department will spend within its own budget. Current projections show an overall net overspend of £1,679k within portfolio budgets and a £742k credit variation on investment income and central items.

3.1.2 A summary of the 2018/19 budget and the projected outturn is shown in the table below:

Portfolio	2018/19 Original Budget £'000	2018/19 Latest Budget £'000	2018/19 Projected Outturn £'000	2018/19 Variation £'000
Adult Care & Health	67,346	67,346	67,654	308
Education, Children & Families (inc. Schools Budget)	40,189	40,189	41,808	1,619
Environment & Community	30,546	30,117	30,103 Cr	14
Public Protection & Enforcement	2,424	2,491	2,406 Cr	85
Renewal, Recreation & Housing	13,970	14,134	13,978 Cr	156
Resources, Commissioning & Contracts Management	46,797	48,093	48,100	7
Total Controllable Budgets	201,272	202,370	204,049	1,679
Capital Charges and Insurance	12,056	12,056	12,056	0
Non General Fund Recharges	Cr 759	Cr 759	Cr 759	0
Total Portfolio Budgets	212,569	213,667	215,346	1,679
Income from Investment Properties	Cr 9,973	Cr 9,923	Cr 9,534	389
Interest on General Fund Balances	Cr 3,491	Cr 3,491	Cr 3,661	170
Total Investment Income	Cr 13,464	Cr 13,414	Cr 13,195	219
Contingency Provision	14,278	14,797	13,836 Cr	961
Other Central Items	Cr 9,430	Cr 9,430	Cr 9,430	0
General Government Grants & Retained Business Rates	Cr 45,494	Cr 45,702	Cr 45,702	0
Collection Fund Surplus	Cr 7,852	Cr 7,852	Cr 7,852	0
Total Central Items	Cr 48,498	Cr 48,187	Cr 49,148	961
Total Variation	150,607	152,066	153,003	937

3.1.3 A detailed breakdown of the latest approved budgets and projected outturn for each Portfolio, together with an analysis of variations, is shown in Appendix 3.

3.1.4 Chief Officer comments are included in Appendix 2.

3.2 Central Contingency Sum

3.2.1 Details of the allocations from and variations in the 2018/19 Central Contingency are included in Appendix 4.

3.2.2 The Central Contingency includes a sum of £500k to meet the estimated cost of the local election in May 2018. Executive are requested to agree the drawdown of £400k to meet the cost of election staff, room hire, delivery and collection of polling equipment, printing of ballot papers and postage. Once all costs relating to the election have been finalised, a further adjustment may be required.

3.2.3 In April 2018 the Council received confirmation of the 2018/19 SEND Pathfinder Grant. Executive are requested to agree the drawdown of £27,522 which will be used to support the Council's role as regional co-ordinator for the implementation of the Special Educational Needs (SEN) reforms from April 2018. This will improve the quality of services for children and young people with SEN and disabilities whether in education, health or social care.

3.2.4 Members are requested to note that the following items have been returned to the Central Contingency this cycle:

		£'000	Note
Parking - Bus Lane Contraventions	Cr	300	(i)
Waste Disposal	Cr	240	(ii)
Highways Maintenance Contract	Cr	169	(iii)
Apprenticeship Levy	Cr	130	(iv)
Liberata Contract	Cr	60	(v)
Beckenham & Penge BID	Cr	44	(vi)
Registrar's Service	Cr	18	(vii)
Total Credit Variation	Cr	<u>961</u>	

- (i) £300k is being returned to the Central Contingency from Parking Services to reflect the current number of bus lane contraventions as the drop in the number of contraventions has been far slower than originally estimated.
- (ii) the budget for waste disposal costs has been realigned to reflect the full year effect of the reduction in tonnage during 2017/18 and a sum of £240k has been returned to the Central Contingency.
- (iii) an adjustment has been made to the Central Contingency to reflect the part year savings of £169k that were identified in the award of the Major and Minor Highway Maintenance contracts, as reported to Executive on 20th April 2018. The majority of this saving relates to the reduced street lighting maintenance required due to the more efficient columns and bulb changes recently made.
- (iv) a sum of £130k relating to the Apprenticeship Levy has been returned to the Central Contingency as the level of expenditure is lower than originally estimated when funding was agreed.
- (v) £60k has been returned to the Central Contingency from the Liberata contract as a result of variations in the contract fee including the cash collection service, housing benefits/council tax administration support and printing costs.
- (vi) following the successful ballots in February 2018 there will be a net saving of £44k from the establishment of the BIDs in Beckenham and Penge Town Centres, as reported to Executive on 7th November 2017. An adjustment has been made to the Central Contingency to reflect these savings.
- (vii) a restructure of staffing within the Registrar's service has delivered a part year saving of £18k for 2018/19 and adjustment has been made to the Central Contingency to reflect this saving.

3.2.5 The Central Contingency allows for proper financial planning and ensures that the Council is prepared for changes in financial circumstances. A prudent approach was adopted in considering the 2018/19 Central Contingency sum to reflect any inherent risks, the potential impact of any new burdens, population increases or actions taken by other public bodies which could affect the Council. If the monies are not required during the year then the general policy has been to use these for growth, investment and economic development to generate additional income and provide a more sustainable financial position. The latest forecast indicates that despite having a balanced budget in 2018/19 there remains a significant budget gap in future years that will need to be addressed.

3.3 Carry Forwards from 2017/18 to 2018/19

3.3.1 After allowing for government grant funding, a net sum of £1,459k has been carried forward into 2018/19 from underspends in 2017/18. £152k was agreed by Council on 26th February 2018 and £183k, net of grant income and other funding, was agreed by Executive on 28th March 2018. The remaining £1,124k (net) was approved by Executive on 21st May 2018 subject to the funding being allocated to the Central Contingency to be drawn down on the approval of the relevant Portfolio Holder.

3.3.2 The carry forwards being requested to be drawn down this cycle are summarised in the table below and details will be reported to the relevant PDS Committee. The figures contained in this report assume that these requests will be agreed:

	£'000
Renewal, Recreation & Housing	419
Adult Care & Health	4,226
Public Protection & Enforcement	67
Executive, Resources & Contracts	815
Environment & Community Services	280
Education, Children & Families	678
Total Expenditure	6,485
Government Grant Income	Cr 5,361
Total Net Carry Forwards Requested for Drawdown this Cycle	1,124

3.4 General Fund Balances

3.4.1 The level of general reserves is currently projected to reduce by £2,396k to £17,604k at 31st March 2019 as detailed below:

	2018/19 Projected Outturn £'000
General Fund Balance as at 1st April 2018	Cr 20,000
Net Variations on Services & Central Items (para 3.1)	937
	Cr 19,063
Adjustment to Balances:	
Carry Forwards (funded from underspends in 2017/18)	1,459
General Fund Balance as at 31st March 2019	Cr 17,604

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:

	2018/19 Budget £'000	2019/20 Impact £'000	
Adult Care & Health Portfolio			
Assessment & Care Management - Care Placements	22,241	168	<i>net of management action</i>
Learning Disabilities - Care Placements, Transport & Care Management	33,551	177	<i>net of management action</i>
Mental Health - Care Placements	6,259	<u>156</u>	
		501	
Education, Children & Families Portfolio			
Adult Education	Cr 525	130	
Children's Social Care	34,414	<u>1,291</u>	<i>net of management action</i>
		1,421	
Renewal, Recreation & Housing Portfolio			
Housing Needs - Temporary Accommodation	6,241	808	<i>net of contingency drawdown</i>
Supporting People	1,013	Cr 94	
		<u>714</u>	
Resources, Commissioning & Contracts Management Portfolio			
Legal Services - Legal/Counsel Fees & Court Costs	389	<u>140</u>	
		140	
TOTAL		<u><u>2,776</u></u>	

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 are included in Appendix 5.

Investment Income

3.6 Income from Investment Properties

3.6.1 A deficit of £389k is projected for investment income which takes into consideration the following:

- (i) there is a shortfall of income from Investment Fund properties of £312k against an income budget of £5.9m. This partly relates to the vacated Argos store on Market Square (£130k) and additional income of £150k built into the 2018/19 budget anticipating the purchase of a Medway property which did not proceed. Other net changes in leases have resulted in an underachievement of income of £32k.
- (ii) the Glades Shopping Centre rental income is currently projected to be on budget for 2018/19 based on the minimum rent share expected and a late notification of an adjustment for the period January 2017 to January 2018. Accounts are supplied by Alaska UK quarterly in arrears. It is difficult to provide a precise forecast as the Council's share of income is determined by the rental income from shops and the level of contribution to any minor works. The budget for the Glades is £2.01m and the minimum rent share is £1.88m.
- (iii) there is also a net deficit of £77k currently projected on other investment properties which takes account of various vacant properties.

3.7 Interest on Balances

- 3.7.1 Despite the increase in the Bank of England base rate from 0.25% to 0.50% in November 2017, there has been very little impact on interest income from lending to banks. This is partly due to banks having the ability to borrow from the Bank of England at very low rates as well as the strengthening of 'balance sheets' reducing the need to borrow. In addition, utilisation of the Investment Fund and Growth Fund as well as the Highways Investment Scheme has reduced the resources available for treasury management investment. However, the treasury management strategy was revised in December 2017 to enable an increase in the limit for alternative investments to £100m which will generate additional income of around £2m compared with lending to banks. As a result, additional income of £600k was included in the 2018/19 budget.
- 3.7.2 At present, a surplus of £170k is projected for 2018/19 mainly as a result of the rates achieved on two of the fixed term investments made since the budget was set although it should be noted that rates have since reduced so further maturities during the year may not achieve similar rates when subsequently re-invested.
- 3.7.3 The Council's performance on treasury management is in the top 10% among local authorities. Details of the Treasury Management Annual Investment Strategy for 2018/19 were reported to Council on 26th February 2018 and the Annual Report for 2017/18 was reported to Executive, Resources and Contracts PDS Committee on 5th July 2018.

3.8 The Schools Budget

- 3.8.1 Expenditure on schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget. Any overspend or underspend must be carried forward to the following year's Schools Budget.
- 3.8.2 There is a total projected overspend of £392k on DSG funded services which will be deducted from the £1,180k carried forward from 2017/18. £188k of the brought forward balance has been allocated to support central DSG services in year giving an estimated DSG balance at the end of the financial year of £600k. Details of the 2018/19 monitoring of the Schools Budget will be reported to the Education, Children & Families Portfolio Holder.

3.9 Investment Fund and Growth Fund

- 3.9.1 Full details of the current position on the Investment Fund and Growth Fund are included in the Capital Programme Monitoring – 1st Quarter 2018/19 report elsewhere on the agenda. The uncommitted balances currently stand at £19.3m on the Investment Fund and £10.7m on the Growth Fund.

3.10 Financial Context

- 3.10.1 The 2018/19 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. Details were reported in the 2018/19 Council Tax report to Executive in February.
- 3.10.2 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. This has enabled a longer term approach to generate further income from the additional resources available as well as to mitigate against significant risks and provide a more sustainable financial position in the longer term.

3.10.3 The 2018/19 Council Tax report identified a budget gap of £38.7m per annum by 2021/22. 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 reduces the risk of the Council's budget gap increasing further which would increase the savings required in future years.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The 2018/19 budget reflects the financial impact of the Council's strategies and service plans which impact on all of the Council's customers and users of our services.

5. POLICY IMPLICATIONS

5.1 "Building a Better Bromley 2016-2018" identifies the following key priority:

Ensure financial independence and sustainability through:

- Strict management of our budgets to ensure we live within our means;
- Working to achieve the benefits of the integration of health and social care;
- Early intervention for our vulnerable residents.

5.2 The 2018/19 Council Tax report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2018/19 to minimise the risk of compounding financial pressures in future years.

6. FINANCIAL IMPLICATIONS

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

Non-Applicable Sections:	Personnel, Legal, Procurement
Background Documents: (Access via Contact Officer)	Provisional Final Accounts 2017/18 – Executive 21 st May 2018; 2018/19 Council Tax – Executive 7th February 2018; Draft 2018/19 Budget and Update on Council's Financial Strategy 2019/20 to 2021/22 – Executive 10 th January 2018; Capital Programme Monitoring Report – elsewhere on agenda; Treasury Management Annual Report 2017/18 – Council 16 th July 2018; Treasury Management Annual Investment Strategy 2018/19 – Council 26 th February 2018; Financial Management Budget Monitoring files across all portfolios.

GENERAL FUND - PROVISIONAL OUTTURN FOR 2018/19

Portfolio	2018/19 Original Budget £'000	Budget Variations allocated in year # £'000	2018/19 Latest Approved Budget £'000	2018/19 Projected Outturn £'000	Variation £'000
Adult Care & Health	67,346	0	67,346	67,654	308
Education, Children & Families (incl. Schools' Budget)	40,189	0	40,189	41,808	1,619
Environment & Community	30,546	Cr 429	30,117	30,103	Cr 14
Public Protection & Enforcement	2,424	67	2,491	2,406	Cr 85
Renewal, Recreation & Housing	13,970	164	14,134	13,978	Cr 156
Resources, Commissioning & Contracts Management	46,797	1,296	48,093	48,100	7
Total Controllable Budgets	201,272	1,098	202,370	204,049	1,679
Capital, Insurance & Pensions Costs (see note 2)	12,056	0	12,056	12,056	0
Non General Fund Recharges	Cr 759	0	Cr 759	Cr 759	0
Total Portfolios (see note 1)	212,569	1,098	213,667	215,346	1,679
Central Items:					
Income from Investment Properties	Cr 9,973	50	Cr 9,923	Cr 9,534	389
Interest on General Fund Balances	Cr 3,491	0	Cr 3,491	Cr 3,661	Cr 170
Total Investment Income	Cr 13,464	50	Cr 13,414	Cr 13,195	219
Contingency Provision (see Appendix 4)	14,278	519	14,797	13,836	Cr 961
Other central items					
Reversal of net Capital Charges (see note 2)	Cr 10,646	0	Cr 10,646	Cr 10,646	0
Utilisation/Set Aside of Prior Year Collection Fund Surplus	2,210	0	2,210	2,210	0
New Homes Bonus Support for Revenue	Cr 2,256	0	Cr 2,256	Cr 2,256	0
Levies	1,262	0	1,262	1,262	0
Total other central items	Cr 9,430	0	Cr 9,430	Cr 9,430	0
Total all central items	Cr 8,616	569	Cr 8,047	Cr 8,789	Cr 742
Bromley's Requirement before balances	203,953	1,667	205,620	206,557	937
Carry Forwards from 2017/18 (see note 3)	0	Cr 1,296	Cr 1,296	0	1,296
Carry Forward from 2017/18 (R&M)	0	Cr 163	Cr 163	0	163
Adjustment to Balances	0	0	0	Cr 2,396	Cr 2,396
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	203,953	208	204,161	204,161	0
Cr 41,960	0	Cr 41,960	Cr 41,960	0	
New Homes Bonus	Cr 3,534	0	Cr 3,534	Cr 3,534	0
New Homes Bonus Topslice	0	Cr 208	Cr 208	Cr 208	0
Collection Fund Surplus	Cr 7,852	0	Cr 7,852	Cr 7,852	0
Bromley's Requirement	150,607	0	150,607	150,607	0
GLA Precept	38,251	0	38,251	38,251	0
Council Tax Requirement	188,858	0	188,858	188,858	0

# Budget Variations allocated to portfolios in year consists of:	£'000
1) Carry forwards from 2017/18	1,459 (see note 3)
2) Allocations from the central contingency provision	Cr 361 (see Appendix 4)
	<u>1,098</u>

1) **NOTES**

Portfolio Final Approved Budgets analysed over Departments as follows:

	2018/19 Original Budget £'000	Budget Variations allocated in year # £'000	2018/19 Latest Approved Budget £'000	2018/19 Projected Outturn £'000	Variation £'000
Education Care & Health Services	129,664	152	129,816	131,665	1,849
Environment & Community Services	57,257	Cr 43	57,214	56,985	Cr 229
Chief Executive's Department	25,648	989	26,637	26,696	59
	<u>212,569</u>	<u>1,098</u>	<u>213,667</u>	<u>215,346</u>	<u>1,679</u>

2) **Reversal of net Capital Charges**

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

3) **Carry Forwards from 2017/18**

Carry forwards from 2017/18 into 2018/19 totalling £1,459k were approved by Council and the Executive. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2017/18" report.

Comments from the Executive Director of Environment and Community Services

Analysis of Risks

– Environment & Community Portfolio

The main financial risk will be the likely increase in prices for the environment contracts, particularly on the Waste service, which will take effect from 1 April 2019. Another potential risk area is recycling paper income. Wet weather could affect the quality of the paper and therefore could lead to an issue with the processing of it as 'paper' and a loss of income.

There is always a risk in Parking from the fluctuations in both Enforcement income and income from On and Off Street Parking, but this is difficult to quantify. Income on streetworks defaults is currently at a reduced level due to a higher level of compliance and so needs to be monitored going forward.

Although no variation is currently projected for the Tree budget, due to the usual risk around storm damage which impacts on the Trees budget, this is a potential risk area. The actual impact is dependent on the weather and the number of trees affected.

– Renewal, Recreation and Housing Portfolio

A substantial part of Planning Services' work attracts a fee income for the Council, for example the planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough. There is a risk of income variation beyond the Council's immediate control, however trends are regularly monitored in order that appropriate action can be taken.

Action has been taken to avoid the risk of Government Designation for Special Measures due to performance and quality of decision making, in spite of high volumes of work. This has reduced the risk of Designation and will be monitored.

A recent audit of Community Infrastructure Levy processes showed a risk in the full collection of CIL contributions. Agreed remedial action is either completed or underway.

There is a risk of substantial planning appeal costs being awarded against the Council by the Planning Inspectorate if the Council is found to have acted unreasonably.

– Public Protection & Enforcement Portfolio

Any high profile inquests or significant increase in volume of cases could increase the cost of the Coroners service.

Comments from the Director of Corporate Services (Resources, Commissioning & Contract Management Portfolio) including Risk Areas

Caseloads in children's services continue at a higher level than has previously been the case. Normal caseloads have historically been c48 new cases per annum. In 2017/18, 74 sets of proceedings were issued which is on a downward trend from 2016/17 when there were 98 sets of new childcare cases. It is difficult to provide an accurate forecast of the case numbers for 2018/19, however it is expected that there will be around 70 cases. A minimum court fee of £2,025 is payable on each case which means that with an estimated additional 22 cases being issued, there could be an additional minimum cost of £44,550. The only way to avoid this would be not to issue proceedings, which is not a realistic option. In addition there are fees for instructions of experts (£150 per application) and for placement orders where the care plan is adoption (£455 per family). There has also been a growth of cases where translation services are required (currently representing c20% of cases) and costs are being incurred for translation of documents and additional hearings.

Childcare cases typically take between 3-9 months to conclude therefore there is an ongoing cost pressure from cases which were issued in 2017/18 which were not concluded in that year which has been exacerbated by the continuing high level of new instructions. As was reported previously, 3 new lawyers with advocacy experience were recruited. Unfortunately one has already decided to leave and additionally an experienced advocate in the team is leaving to take up a senior managerial role at another local authority. This will impact on the scope to use in-house staff for advocacy, to gradually reduce spend on Counsel.

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

- Education, Children and Families Portfolio

The Education, Children and Families Portfolio has an overspend of £1,619,000 for the year.

The Education Division has an overspend of £95,000. Pressures in Adult Education are currently being partly mitigated by Early Years and SEN and Inclusion.

Pressures also continue in the Dedicated Schools Grant (DSG) element of the service. In 2018/19 there will be an in year overspend of £392k of DSG. Whilst this can be absorbed by carry forward DSG balances, there continues to be ongoing pressures in the DSG, especially in the High Needs Block, for 2019/20 onwards. The introduction of the National Funding Formula (NFF) means there are severe restrictions in how the grant is spent and in what areas. High Needs are experiencing increases in demand. Although there has been funding of £1m from the Council in 2018/19 and £1m top sliced from Schools DSG funding, for 2019/20 there is likely to be further increased pressures in this area that further funding streams will need to address.

In Children's Social Care the overspend is £1,524k due to the increased number of children in care. The table below (table 1) sets out the position in respect of the number of CLA in Bromley, National and Statistical Neighbours. Post Ofsted, we saw a nominal increase per 10,000 as set out below. However, we are still below our statistical and national neighbours (an area that Ofsted has asked us to explain). Regardless, we have 36 more children (223) (in year/projected) above an agreed (financial baseline) of 187 children in independent fostering, in-house fostering and residential care (see table 2).

Table 1

Rate of CLA

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Bromley	41	41	39	37	39.6	39.3	41.7	40.5
Statistical Neighbours	48	47.5	50	49.7	50.7	54.3	TBC*	TBC*
National	59	60	60	60	60	62	TBC*	TBC*

* TBC 30th June 2018

Table 2

Code	2018/19 Approved		2018/19 Forecast		2018/19 Variation	
	£	Full Year Equivalent	£	Full Year Equivalent	£	Full Year Equivalent
RESIDENTIAL (all types)	5,325,720	28.21	7,009,336	35.08	1,683,616	6.87
FOSTERING						
Fostering IFA	2,617,790	60.56	3,244,761	70.17	626,971	9.61
Fostering In house	2,873,890	98.53	2,689,769	118.48	(184,121)	19.95
Total Fostering Placements	5,491,680	159.09	5,934,530	188.65	442,850	29.56
TOTAL RESIDENTIAL/	10,817,400	187.30	12,943,866	223.73	2,126,466	36.43

The extension of the statutory age of children in care to 25 is another factor that is impacting on our budget.

Bromley now has 23 unaccompanied minors in the system. Bromley is one of 16 LAs left that have not met their quota. The implication of this is that we expect more children to be allocated to Bromley as part of the Pan London agreement

Management action has been put in place of £480k to reduce the overall financial position of Children's Social Care to £1,524k overspent. Further management action will be explored to mitigate the overspend as far as possible. Discussions are ongoing with the CCG regarding their financial contribution and it is expected that this will increase. This has already been assumed in the overall projections.

Agency staff continues to be a cost burden although this has been managed within the overall staffing budget. Work continues to recruit further permanent workers and a further estimated 40+ social workers will be joining us in September 2018

The key risks in the Education, Children & Families Portfolio are:-

- i) Loss of permanent staff/inability to recruit permanent staff/recruitment and retention of social workers
- ii) Limited supply and increasing costs of residential placements
- iii) Increased complexity of children (SEND)
- iv) Impact of Social Work Act 2017 implementation
- v) Income from partners reducing
- vi) School place issues
- vii) Increases in the number of Children Looked After (CLA)

- Adult, Care and Health Portfolio

The Adult, Care and Health Portfolio has an overspend of £308,000 for the year.

In Adults' Social Care, there was a very ambitious efficiency programme which will realise efficiency savings in the context of an ageing population of older people in the borough.

There remain pressures within the domiciliary care area, as we see increasing numbers of people supported to live at home compounded with an increasing reliance on assessments and care management packages to support older people to live independently. Underspends in other areas within the department and the utilization of the Better Care Fund with our health colleagues helped in mitigating these pressures overall.

The key risks in the Adult, Care and Health Portfolio are:-

- i) Impact of the national living wage across Care Services and the impact on contracts
- ii) Increased complexity of clients coming through the system
- iii) Increasing number of clients coming through the system
- iv) Potential funding issues in school nursing area of Public Health

- Renewal, Recreation and Housing Portfolio

The end of year position in housing services is estimated to be an £89k credit, although this assumes that £1,597k will be drawn down from the contingency to mitigate the ongoing homelessness pressures being experienced in Bromley. This includes additional provisions for bad debts arising mainly from the roll out of universal credit, increases in the levels of homelessness and increases in the cost of the provision. Underspends in other areas help mitigate the pressures overall.

The key risks in the Renewal, Recreation and Housing Portfolio are:-

- i) Increased homelessness and the associated costs
- ii) Introduction of the Homeless Reduction Act
- iii) Increased rent arrears arising from roll out of Universal Credit in 2018/19

Adult Care and Health Portfolio Budget Monitoring Summary

2017/18 Actuals £'000	Division Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Adult Social Care								
23,836	Assessment and Care Management	23,462	23,462	24,036	574	1	0	508
0	Planned A&CM savings from management action	0	0	Cr 340	Cr 340		0	Cr 340
406	Direct Services	144	144	144	0	2	0	0
32,070	Learning Disabilities	33,551	33,551	34,117	566		0	941
0	Planned LD savings from management action	0	0	Cr 464	Cr 464	0	Cr 764	
6,018	Mental Health	6,273	6,259	6,388	129	3	0	156
Cr 1,009	Better Care Funding - Protection of Social Care	0	0	Cr 100	Cr 100	4	0	0
Cr 935	Better Care Fund / Improved Better Care Fund	0	0	0	0		0	0
60,386		63,430	63,416	63,781	365		0	501
Programmes								
1,639	Programmes Team	1,986	2,000	1,972	Cr 28	5	0	0
3,152	Information & Early Intervention	2,505	2,505	2,505	0		0	0
Cr 3,152	- Net Expenditure	Cr 2,420	Cr 2,420	Cr 2,420	0		0	0
	- Recharge to Better Care Fund							
	Better Care Fund							
21,680	- Expenditure	21,183	21,279	21,279	0		0	0
Cr 21,819	- Income	Cr 21,275	Cr 21,371	Cr 21,371	0		0	0
	Improved Better Care Fund							
4,184	- Expenditure	4,490	7,675	7,675	0		0	0
Cr 4,184	- Income	Cr 5,363	Cr 8,548	Cr 8,548	0		0	0
	NHS Support for Social Care							
28	- Expenditure	0	0	0	0	0	0	
Cr 28	- Income	0	0	0	0	0	0	
1,500		1,106	1,120	1,092	Cr 28		0	0
Strategic & Business Support Services								
300	Learning & Development	372	372	372	0	6	0	0
1,961	Strategic & Business Support	2,383	2,383	2,354	Cr 29		0	0
2,261		2,755	2,755	2,726	Cr 29		0	0
Public Health								
15,103	Public Health	14,763	14,763	14,763	0		0	0
Cr 15,096	Public Health - Grant Income	Cr 14,708	Cr 14,708	Cr 14,708	0		0	0
7		55	55	55	0		0	0
64,154	TOTAL CONTROLLABLE ADULT CARE & HEALTH	67,346	67,346	67,654	308		0	501
1,419	TOTAL NON CONTROLLABLE	221	373	384	11	7	0	0
2,364	TOTAL EXCLUDED RECHARGES	2,546	2,546	2,546	0		0	0
67,937	TOTAL ADULT CARE & HEALTH PORTFOLIO	70,113	70,265	70,584	319		0	501

Reconciliation of Latest Approved Budget

£'000

2018/19 Original Budget

78,500

Transfer of Housing to Renewal, Recreation & Housing Portfolio

Cr 8,387

2018/19 Revised Original Budget

70,113

Carry forwards requested this cycle:

Better Care Fund - Good Gym

- expenditure

8

- income

Cr 8

Better Care Fund

- expenditure

28

- income

Cr 28

Improved Better Care Fund

- expenditure

3,172

- income

Cr 3,172

Public Health Grant

- expenditure

1,018

- income

Cr 1,018

Other:

2018/19 Improved Better Care Fund allocation - adjusted amount:

- expenditure

13

- income

Cr 13

Short term assistance to day centres

152

Latest Approved Budget for 2018/19

70,265

REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £234k Net of Management Action

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

		<u>Current</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>		
Services for 65 +		
- Placements		83
- FYE Management Action	Cr	123
- Domiciliary Care / Direct Payments		151
		<u>111</u>
Services for 18 - 64		
- Placements		183
- FYE Management Action	Cr	217
- Domiciliary Care / Direct Payments		157
		<u>123</u>
		<u>234</u>

The 2018/19 budget includes funding for the full year effect of the 2017/18 overspend , less savings agreed as part of management action to reduce this overspend.

Services for 65+ - Dr £111k

Numbers in residential and nursing care continue to be above the budget provision , currently by 6 placements above the budget provision of 398, with an overspend being projected of £83k for the year. Income in relation to court of protection cases continues to partly offset this increase in costs, resulting in a reduced overspend.

In addition to the above, there is the full year effect of management action from 2017/18 relating to additional income from the CCG for joint funding of placements that has been factored in of £123k . This has not yet been achieved, although the projections assume that this will be by the year end. If this is not the case then the reported overspend will increase. This will be closely monitored during the year.

The overall position on the domiciliary care and direct payments budgets is an overspend of £151k. £150k of this relates to a saving as a result of the Reablement Service being transferred to Bromley Health Care in 2017/18. This did not happen as envisaged, however the saving had already been included in the 2018/19 budget, so currently remains as an overspend.

Domiciliary care is currently projected to overspend by £214k, mainly due to lower levels of client contributions than anticipated, whilst direct payments are projected to underspend by £213k, resulting in a net overspend of £1k. The new charges for domiciliary care only take effect from 4th June, therefore an estimation of the additional income to be received for the remainder of the year has had to be made, and the actual amount received will vary from this estimate. By the time of the next budget monitoring cycle we will know how much actual additional income has been generated.

Services for 18-64+ - Dr £123k

Placements for 18-64 age group are projected to overspend by £183k this year based on current service user numbers. The main pressure area relates to clients with a primary support reason (PSR) of memory and cognition where the actual number of 17 is 5 above the budget provision of 12. This is partly offset by those with a PSR of Physical Support being under budget by 2 placements.

In addition as per the over 65's, there is the full year effect of management action from 2017/18 relating to additional income from the CCG for joint funding of placements that has been factored in of £217k . This has not yet been achieved, although the projections assume that this will be by the year end. If this is not the case then the reported overspend will increase. This will be closely monitored during the year.

The overall position on the domiciliary care and direct payments budgets is an overspend of £157k. Domiciliary care is currently projected to overspend by £55k, and direct payments by £102k.

2. Learning Disabilities - Dr £102k Net of Management Action

The 2018/19 LD budget includes funding for both the full year effect of the 2017/18 overspend (based on the position at the time the budget was prepared) and 2018/19 demand-related pressures. As highlighted in the final outturn report, both of these included assumptions on planned savings from management action. The delivery of a balanced budget position in 2018/19 is dependent on these savings being achieved as well as the successful management of continued demand pressures.

Currently an overspend of £102k is anticipated after allowing for management action in relation to planned savings. If management action is excluded, the position is a projected overspend of £566k.

This set of projections is based on both actual information on current care packages and also assumptions regarding clients expected to be placed this financial year, attrition, etc. The assumptions include packages that have already been agreed at Panel but where the placement has not yet taken place (where the uncertainty is mainly around start dates) and those clients expected to require new placements or have increased needs this year but for whom costs and start dates are uncertain.

To avoid overstating the assumptions, a 'probability factor' has been applied to reflect experience in previous years which has shown that there tends to be either slippage on planned start dates or clients aren't placed as originally expected. However there is a risk attached to this in that the majority of placements may go ahead as and when planned or there may be clients placed who aren't included in the forecast.

Given the early stage in the financial year, a large amount of the current forecast is based on assumptions and may therefore vary significantly as the year progresses.

Progress on achieving planned savings will be monitored closely throughout the year as this is key to managing the budget position. The dedicated 'invest to save' team of staff working on delivering the savings is funded until the end of September.

3. Mental Health - Dr £129k

Similarly to Learning Disabilities above, the 2018/19 MH budget includes funding for the full year effect of the 2017/18 overspend based on the position at the time the budget was prepared. The final outturn report highlighted that this assumed a level of savings from management action and that an overspend would result if this was not the case.

The level of savings achieved towards the end of 2017/18 was lower than planned and it is not anticipated that any further savings can be achieved. This is the main factor giving rise to the projected overspend of £129k. Given the early stage in the financial year this position is likely to shift as the year progresses.

4. Better Care Fund - Protection of Social Care - Cr £100k

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

These services are currently projected to underspend by £100k in 2018/19 and this has been used to offset other budget pressures within social care in line with the intentions of the funding.

5. Programmes Division - Cr £28k

A relatively small underspend of £28k is currently anticipated for the Programmes Division and this relates to staffing budgets (part-year vacancies) and is non-recurrent. There is a relatively high level of staff turnover and interim staff and, as such, there is scope for the projections to change significantly in the remaining 10 months of the year.

There are a number of contracts managed within the Division where the payment varies in line with demand and variations may therefore arise on these during the year. The new single advocacy contract commenced on 1st April 2018 and there is, as yet, insufficient data on which to base a forecast so it has been assumed this is contained within budget.

The Improved Better Care Fund allocation for 2018/19 is £5.376m. Of this, £873k remains within the Council's central contingency and the balance of £4.503m is within ECHS budgets. In addition, because 2017/18 allocations were agreed relatively late in the financial year, £3.172m of unspent 2017/18 funding was carried forward to 2018/19.

6. Strategic and Business Support Services Division - Cr £29k

At this early stage in the financial year an underspend of £29k is anticipated on central departmental running expenses budgets.

7. Non-Controllable - Rent

There is an £11k variation relating to Day Centre rent income.

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 Corporate Services, the Director of Finance and the Director of Commissioning 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, 3 waivers for Adult placements have been agreed for between £50k and £100k and 2 for more than £100k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, there have been two virements: 1) £140k to continue the LD Efficiencies Team to the end of September 2018 and 2) the creation of a part-time Business Support Officer post.

Education, Children and Families Portfolio Budget Monitoring Summary

2017/18 Actuals £'000	Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 360	Adult Education Centres	Cr 525	Cr 525	Cr 370	155	1		130
418	Schools and Early Years Commissioning & QA	524	524	481	Cr 43	2		0
5,583	SEN and Inclusion	5,820	5,820	5,789	Cr 31	3		0
95	Strategic Place Planning	96	96	96	0			0
6	Workforce Development & Governor Services	5	5	5	0			0
Cr 167	Education Services Grant	0	0	0	0			0
185	Access & Inclusion	165	165	179	14	4		0
Cr 1,312	Schools Budgets	Cr 1,348	Cr 1,348	Cr 1,348	0	5		0
102	Other Strategic Functions	1,038	1,038	1,038	0			0
4,550		5,775	5,775	5,870	95		0	130
Children's Social Care								
1,248	Bromley Youth Support Programme	1,479	1,479	1,479	0	6		0
686	Early Intervention and Family Support	1,093	1,093	1,093	0			0
4,912	CLA and Care Leavers	5,066	5,066	5,025	Cr 41			242
13,592	Fostering, Adoption and Resources	13,638	13,638	16,130	2,492			2,514
0	Management action - Additional CCG Income	0	0	Cr 505	Cr 505			Cr 505
2,833	Referral and Assessment Service	2,909	2,909	2,909	0			0
2,176	Safeguarding and Care Planning East	2,159	2,159	2,159	0		0	
3,874	Safeguarding and Care Planning West	3,810	3,810	3,810	0		0	
4,290	Safeguarding and Quality Improvement	4,260	4,260	4,318	58		0	
	Planned savings from management action	0	0	Cr 480	Cr 480		Cr 960	
33,611		34,414	34,414	35,938	1,524		0	1,291
38,161	TOTAL CONTROLLABLE FOR EDUCATION & CHILDREN'S SERVICES	40,189	40,189	41,808	1,619		0	1,421
3,257	Total Non-Controllable	2,006	2,006	2,006	0			0
7,309	Total Excluded Recharges	8,126	8,126	8,126	0		0	0
48,727	TOTAL EDUCATION & CHILDREN'S SERVICES PORTFOLIO	50,321	50,321	51,940	1,619		0	1,421
Memorandum Item								
Sold Services								
29	Education Psychology Service (RSG Funded)	Cr 107	Cr 107	Cr 60	47	7		0
7	Education Welfare Service (RSG Funded)	Cr 32	Cr 32	Cr 32	0			0
3	Workforce Development (DSG/RSG Funded)	Cr 4	Cr 4	Cr 4	0			0
43	Community Vision Nursery (RSG Funded)	49	49	51	2			0
75	Blenheim Nursery (RSG Funded)	76	76	97	21			0
157	Total Sold Services	Cr 18	Cr 18	52	70		0	0

Reconciliation of Latest Approved Budget

Original Budget 2018/19 **£'000**
50,321

Contingency:

SEN Implementation Grant 2018/19		
- expenditure		189
- income	Cr	189
SEND Preparation for Employment Grant 2018/19		
- expenditure		63
- income	Cr	63
SEN Pathfinder Grant 2018/19		
- expenditure		28
- income	Cr	28

Carry forwards requested this cycle:

SEN Implementation Grant 2016/17		
- expenditure		20
- income	Cr	20
SEN Pathfinder Grant 2016/17		
- expenditure		16
- income	Cr	16
Early Years Grant		
- expenditure		15
- income	Cr	15
School Improvement Grant		
- expenditure		47
- income	Cr	47
High Needs Strategic Planning Fund		
- expenditure		13
- income	Cr	13
Delivery Support Fund		
- expenditure		69
- income	Cr	69
Tackling Troubled Families		
- expenditure		498
- income	Cr	498

Latest Approved Budget for 2018/19

50,321

REASONS FOR VARIATIONS

1. Adult Education - Dr £155k

The Adult Education service is currently projecting to overspend by £155k. The main pressure areas for the service are staffing costs to provide the required courses (£102k) and preparing for the OFSTED inspection that is due in the near future. There is also an under collection of income of £58k as compared to the baseline budget

The income overspend may change once the enrolment for the new academic year is known. The enrolment process has only recently been opened.

There is a small underspend on the running costs (£5k) that is offsetting the on-going pressures.

2. Schools and Early Years Commissioning & QA - Cr £43k

The in-house nurseries are currently in the process of being restructured to bring them to a profitable position. This year is expected to be part year under the existing structure and part year under the new structure. This has had the effect of expecting the nurseries to overspend by £23k for the year. This could change depending on when the new structure is finally adopted.

These cost pressures are being more than offset by the current staffing underspends of £66k that are mainly due to vacant posts.

3. SEN and Inclusion - Cr £31k

The staffing in this area is currently forecasting an underspend by £35k. This is due to changes to how posts are being funded - removing some from grant funding and including others.

The Education Psychologists are currently in the process of recruiting to the vacant posts in their team. This is causing the statutory service they are required to provide to be underspent by £43k and the Trading Service they offer to the Schools to be overspent by £47k due to the use of expensive agency staff to provide the service. This is a net overspend of £4k.

4. Access & Inclusion - Dr £14k

The Education Welfare Service Trading Account is currently expected to under collect on its income by £50k due to the loss of a number of school contracts. The provision of the service will need to be reviewed.

With the service currently working on a staffing restructure, there are a few vacant posts that are causing an underspend of £29k.

There is currently expected to be an underspend of £7k on the cost for transporting mainstream children to their school.

5. Schools Budgets (no impact on General Fund)

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget. Any overspend or underspend must be carried forward to the following years Schools Budget.

There is a current projected overspend in DSG of £392k. This will be deducted from the £1,180k carried forward from 2017/18. £188k of the brought forward balance has been allocated to support the central DSG services in-year. This gives us an estimated DSG balance of £600k at the end of the financial year.

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

The Behaviour Support service is currently expected to overspend by £98k based on expected costs for the year. This forecast may change once more information is available about the costs for the new academic year.

There is an underspend of £62k in the Pupil Support Services area. This is due to vacant posts and the under use of agency and consultancy costs to provide the service.

SEN placements are projected to overspend by a total of £950k. The overspend are being caused by the Maintained Day (£886k), Independent Day (£337k) and Alternative Programmes (£211k). These overspends are then offset with underspends on Independent Boarding Schools (£200k), Maintained Boarding Schools (£272k) and the costs of Matrix Funding (£12k).

The SEN placement budget pressure is coming from increased pupil numbers, this is in spite of the increases in in-borough Special Education places at the schools. The forecast currently shows additional 12 pupils attending Independent Day places and an increase of 45 full time equivalents at Maintained Day from September as the places in borough are already filled. There is also a 53% increase in pre-school referrals for assessment. There is an increase in volume of children being accessed and going on to receive an Education, Health and Care Plan.

SEN Support for clients in Further Education Colleges is expected to underspend by £366k this year. The reason for this is due to the underspend in the cost of placing clients at Independent providers.

The DSG funded element of SEN Transport is projected to overspend by £119k due to the new routes that were established in the last year. The level of spend in this area has been lower in previous years. Due to the current funding regulations LBB are not permitted to increase this budget from the previous years allocation.

The High Needs Pre-School Service is currently holding a number of vacant posts resulting in a £138k underspend. There are not currently any plans to recruit to these posts as there is currently an on-going review of the service.

The Sensory Support Service is underspent by £95k. This is due to staffing costs expected to be lower than the budget in year.

The SIPS, Darrick Wood Hearing Units and Outreach & Inclusion Services are all currently projected to underspend. Most of the underspend relates to lower than expected staffing costs, but there is also a small amount that relates to running costs that are not expected to be incurred during the year. The total of these underspends is £107k.

There is also a total small balance of underspends of £7k. This consists of £14k underspend in the SEN headings, and £7k overspend from the non-SEN headings.

	Variations	
	£'000	
Primary Support Team	Cr	62
Behaviour Support		98
Other Small Balances		7
SEN:		
- Placements		950
- Support in FE colleges	Cr	366
- Transport		119
- High Needs Pre-school Service	Cr	138
- Sensory Support	Cr	95
- SIPS	Cr	26
- Darrick Wood Hearing Unit	Cr	7
- Outreach & Inclusion Service	Cr	74
- Other Small SEN Balances	Cr	14
Total		<u><u>392</u></u>

There will continue to be pressures in the DSG from 2019/20 onwards, especially in the High Needs Block area. More children are coming through the system which will put pressure on DSG resources. In 2018/19 DfE agreed that LBB could top slice £1m from the Schools DSG to underpin the High Needs budget. A further request will have to be put forward to DfE if this is going to be transferred again. From 2020/21 this will no longer be available as the 'hard formula' National Funding formula kicks in and funding blocks are even more rigidly fixed

6. Children's Social Care - Dr £1,524k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £2,004k. Despite additional funding being secured in the 2018/19 budget, increases in the number of children being looked after together with the cost of placements has continued to put considerable strain on the budget. Officers have met to discuss ways to mitigate this, and management action of £480k has been agreed this cycle.

CLA and Care Leavers - Dr £17k

Expenditure relating to the 'Staying Put' grant, where care leavers can remain with their foster carers after the age of 18, continues to show an overspend on the budget. The budget was realigned for 2018/19 within available resources, however an overspend of £24k is currently projected.

Staffing costs are projected to be £58k overspent. Offsetting these overspends is a projected underspend of £65k on direct accommodation support to looked after children.

Fostering, Adoption and Resources - £1,987k

The budget for children's placements is currently projected to overspend by £2,492k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £2,499k
- Boarding Schools - Dr £122k
- Secure Accommodation & Youth on Remand - Cr £437k
- Fostering services (IFA's) - Dr £627k
- Fostering services (In-house, including SGO's and Kinship) - Dr £196k
- Adoption placements - Cr £15k

In addition to the variations above, Bromley CCG have allocated funding of £500k as a contribution towards the continuing care costs of placements. Additional funding of £505k is also being sought from the CCG as a contribution to these placements and officers are in the process of negotiations over this amount. Should this latter amount not be agreed upon then the overspend will increase significantly.

Officers have discussed ways to mitigate this overspend and have agreed on management action plans totalling £480k. These will be closely monitored during the year to ensure that any non-achievement is highlighted as early as possible.

7. Sold Services (net budgets)

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

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning 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 has been one waiver in the Education area and with an annual value of less than £30k. In Children's Social Care there were 4 waivers agreed for between £50k and £100k and 3 for more than £100k.

Virements Approved to date under Director's Delegated Powers

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

Environment & Community Portfolio Budget Monitoring Summary

2017/18 Actuals £'000	Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT PORTFOLIO							
	Street Scene & Green Spaces							
5,071	Parks and Green Spaces	5,231	5,311	5,311	0		0	0
243	Street Regulation and Enforcement incl markets	352	352	352	0		0	0
16,930	Waste Services	18,120	18,000	17,989	Cr 11	1	0	0
4,103	Street Environment	4,414	4,414	4,414	0		0	0
907	Management and Contract Support	1,085	1,165	1,165	0		0	0
706	Transport Operations and Depot Management	701	701	701	0		0	0
801	Trees	749	749	749	0		0	0
28,761		30,652	30,692	30,681	Cr 11		0	0
	Parking Services							
Cr 7,893	Parking	Cr 7,119	Cr 7,419	Cr 7,422	Cr 3	2 - 5	0	0
Cr 7,893		Cr 7,119	Cr 7,419	Cr 7,422	Cr 3		0	0
	Transport & Highways							
286	Traffic & Road Safety	324	324	324	0		0	0
6,589	Highways (including London Permit Scheme)	6,689	6,520	6,520	0		0	0
6,875		7,013	6,844	6,844	0		0	0
27,743	TOTAL CONTROLLABLE	30,546	30,117	30,103	Cr 14		0	0
6,601	TOTAL NON-CONTROLLABLE	6,195	6,195	6,210	15	6	0	0
2,323	TOTAL EXCLUDED RECHARGES	2,540	2,540	2,540	0		0	0
36,667	PORTFOLIO TOTAL	39,281	38,852	38,853	1		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2018/19

39,281

Carry Forward Requests approved from 2017/18

Green Garden Waste Direct Debits		120
Highway Pothole Grant 2017/18 - Income	Cr	113
Highway Pothole Grant 2017/18 - Expenditure		113
Management and Contract Support		80
Parks Infrastructure works		80

Central Contingency Adjustments

Waste Disposal	Cr	240
Parking - Bus lane contraventions	Cr	300
PYE savings relating to award of Highways maintenance contract	Cr	169
Highway Pothole Grant 2018/19 - Income	Cr	113
Highway Pothole Grant 2018/19 - Expenditure		113

Latest Approved Budget for 2018/19

38,852

REASONS FOR VARIATIONS

1. Waste Services Cr £11k

The budget has been realigned to reflect the full year effect of the reduction in tonnage during 2017/18 and £240k has been returned to the central contingency.

As a direct result of an increase in the number of green garden waste customers, income is expected to be £30k above budget.

For the trade waste collection service, there is a projected shortfall of income of £39k mainly due to a slightly higher customer dropout compared to the level expected. This is partly compensated by £20k underspend for the reduction in trade waste collection costs.

Summary of overall variations within Waste Services		£'000
Green Garden Waste	Cr	30
Trade Waste Collection		19
Total variation for Waste Services	Cr	11

2. Income from Bus Lane Contraventions Cr £140k

The budget has been realigned to reflect the on-going number of bus lane contraventions and £300k has been returned to the central contingency. In addition, there is a net projected surplus of £140k on the redeployable automated cameras in bus lanes for 2018-19 based on numbers of contraventions to May 2018.

3. Off/On Street Car Parking Dr £100k

Based on income received in April 2018, there is a net variation of Dr £100k for Off and On Street parking.

A deficit of £109k is forecast for Off & On Street Parking income. This is mainly due to a continued downward trend in parking usage, in particular for the multi-storey car parks.

Additional income of £9k is expected to be received from cashless parking fees, as the use of this service continues to grow.

The overall projected overspend for Off and On Street Car parking within the Parking budget is detailed below: -

Summary of variations within Off/On Street Car Parking	OFF ST £'000	ON ST £'000	Total £'000
Off/On Street Car Parking income	69	40	109
Less additional Ring Go fees	Cr 3	Cr 6	Cr 9
Total variations within Off/On Street Parking	66	34	100

4. Car Parking Enforcement Dr £57k

From the activity levels up to May 2017, there is a projected net deficit of around £110k from PCNs issued by APCOA in the current year, mainly due to a reduction in contraventions and issues related to the deployment plan. Officers have been working closely with APCOA in reviewing the deployment schedule and the appointment of a new operational manager for the Civil Enforcement Officers (CEOs). There are defaults on the Enforcement contract costs of around Cr 53k which partly offsets this variation.

Summary of variations within Car Parking Enforcement		£'000
PCNs issued by wardens		110
APCOA Enforcement defaults	Cr	53
Total variations within Car Parking Enforcement		57

5. Parking Shared Service Cr £20k

A projected underspend of £20k for the Parking Shared Service due to vacant posts.

Summary of overall variations within Parking:		£'000
Bus Routes Enforcement	Cr	140
Off Street Car Parking		66
On Street Car Parking		34
Car Parking Enforcement		57
Parking Shared Services	Cr	20
Total variation for Parking	Cr	3

6. Non-controllable Dr £15k

There is a projected £15k shortfall of income within the property rental income budget. Property division are accountable for these variations.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Public Protection & Enforcement Budget Monitoring Summary

2017/18 Actuals £'000	Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Public Protection							
138	Community Safety	151	151	151	0		0	0
96	Emergency Planning	115	115	115	0		0	0
447	Mortuary & Coroners Service	485	485	485	0		0	0
1,265	Public Protection	1,673	1,740	1,655	Cr 85	1	0	0
1,946	TOTAL CONTROLLABLE	2,424	2,491	2,406	Cr 85		0	0
250	TOTAL NON CONTROLLABLE	11	11	11	0		0	0
391	TOTAL EXCLUDED RECHARGES	428	428	428	0		0	0
2,587	PORTFOLIO TOTAL	2,863	2,930	2,845	Cr 85		0	0

Reconciliation of Latest Approved Budget £'000

Original Budget 2018/19 2,863

Carry Forward Requests approved from 2017/18

Asset Recovery Incentivisation Scheme - Income	Cr	48
Asset Recovery Incentivisation Scheme - Expenditure		48
Additional ECS resources - delay in recruitment		67

Latest Approved Budget for 2018/19 2,930

REASONS FOR VARIATIONS

1. Public Protection Cr £85k

On 21 May 2018, Members approved a carry forward request of £67k relating to additional resources for the temporary fixed term Food Safety officers and interim PP&E Assistant Director post. There are still difficulties recruiting the final temporary food safety officer in 2018/19 and this has resulted in a projected underspend of £18k. A request will therefore be submitted to Members at the year end, to carry forward the £85k underspend to 2019/20 and 2020/21 to enable the temporary posts to be funded for the remaining agreed term.

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 Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, no waivers have been actioned.

Virements Approved to date under Director's Delegated Powers

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

Renewal, Recreation & Housing Budget Monitoring Summary

2017/18 Actuals £'000	Division Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT								
Planning								
Cr 7	Building Control	82	82	57	Cr 25	1	0	0
Cr 140	Land Charges	Cr 126	Cr 126	Cr 126	0	2	0	0
764	Planning	736	711	651	Cr 60	3	0	0
850	Renewal	801	956	956	0		0	0
1,467		1,493	1,623	1,538	Cr 85		0	0
Recreation								
1,686	Culture	1,786	1,828	1,846	18	4	0	0
5,784	Libraries	5,030	5,030	5,030	0		0	0
219	Town Centre Management & Business Support	189	181	181	0		0	0
7,689		7,005	7,039	7,057	18		0	0
ECS - Housing								
194	Housing Improvement	203	203	203	0		0	0
194		203	203	203	0		0	0
9,350	Total Controllable ECS DEPT	8,701	8,865	8,798	Cr 67		0	0
Cr 814	TOTAL NON CONTROLLABLE	2,542	2,542	2,542	0		0	0
2,466	TOTAL EXCLUDED RECHARGES	1,857	1,857	1,857	0		0	0
11,002	Total ECS DEPARTMENT	13,100	13,264	13,197	Cr 67		0	0
EDUCATION, CARE & HEALTH SERVICES DEPARTMENT								
Operational Housing								
913	Supporting People	1,013	1,013	939	Cr 74	5	0	Cr 94
8,074	Housing Needs	6,241	6,241	7,823	1,582	6	0	1,943
0	Housing Needs Drawdown	0	0	Cr 1,597	Cr 1,597	6	0	Cr 1,135
0	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 1,838	Housing Benefits	Cr 1,984	Cr 1,984	Cr 1,984	0		0	0
7,149	Total Controllable ECHS DEPT	5,269	5,269	5,180	Cr 89		0	714
789	TOTAL NON CONTROLLABLE	286	286	286	0		0	0
3,209	TOTAL EXCLUDED RECHARGES	3,675	3,675	3,675	0		0	0
11,147	Total ECHS DEPARTMENT	9,230	9,230	9,141	Cr 89		0	714
22,149	PORTFOLIO TOTAL	22,330	22,494	22,338	Cr 156		0	714

Reconciliation of Latest Approved Budget	£'000
Original budget 2018/19	13,943
Transfer of Housing to Renewal, Recreation & Housing Portfolio	8,387
2018/19 Revised Original Budget	22,330

Carry Forward Requests approved from 2017/18

Implementing Welfare Reform Changes - Grant Expenditure	55
Implementing Welfare Reform Changes - Grant Income	Cr 55
Flexible Homeless Grant - Expenditure	83
Flexible Homeless Grant - Income	Cr 83
Fire Safety Grant - Expenditure	44
Fire Safety Grant - Income	Cr 44
Planning Strategy & Projects - Custom Build Grant - Expenditure	30
Planning Strategy & Projects - Custom Build Grant - Income	Cr 30
Asset Recovery Incentivisation Scheme - Expenditure	85
Asset Recovery Incentivisation Scheme - Income	Cr 85
New Homes Bonus	208

Central Contingency Adjustments

Beckenham and Penge BID	Cr 44
National Increase in Planning Fee - Expenditure	240
National Increase in Planning Fee - Income	Cr 240

Latest Approved Budget for 2018/19**22,494**

REASONS FOR VARIATIONS

1. Building Control Cr £25k

For the chargeable service, an income deficit of £88k is projected based on actual income for April and May 2018. This is mostly offset by a projected underspend within salaries of £66k arising from reduced hours working / vacancies. In accordance with Building Account Regulations, the net deficit of £22k will reduce the cumulative surplus on the Building Control Charging Account from Cr £203k to Cr £181k.

Within the non-chargeable service, as a result of delays in not appointing to vacant posts and part year vacancies, there is a projected underspend of £25k.

2. Land Charges £0k

Land Charge income for April and May 2018 is down on profiled budget by around £7k. This is fully offset by an underspend on staffing due to reduced hours. No variation is projected for 2018/19 at this stage. If the income continues to drop, officers will have to consider increasing the current charges.

3. Planning Cr £60k

Income from non-major planning applications is above budget for the first two months of the year, and a surplus of around £60k is projected for 2018/19. For information, actual income received for April and May 2018 is £212k compared with £171k in 2017/18.

For major applications £118k has been received as at 31st May which is £72k higher than for the same period in 2017/18. However, because the timing of this income varies, a balanced budget is projected from major applications at this early stage of the year. This budget will be closely monitored over the next few months.

4. Culture Dr £18k

In line with December 2017 RPIX 4.2% inflation was applied to Bromley MyTime, 2.2% higher than the inflation built into the 2018/19 budget. This has resulted in a projected overspend of £18k on Culture.

5. Supporting People Cr £74k

A £74k underspend is currently forecast in the Supporting People area. However there is currently a concern over one of the contracts that may result in it being terminated before the end date. If this is the case, it is expected that additional costs will result and the cost of the contract will be higher once it has been re-tendered.

6. Housing Needs Cr £15k

There is currently an overspend of £1,135k in the Temporary Accommodation area. This is due to a higher than expected increase in clients going into nightly paid accommodation so far this year. Additionally, it is currently estimated that the provision for bad debts (Rent Account income not collected) is going to increase this year by £462k more than the budget.

As additional budget is going to be requested to be drawdown from contingency later in the year to cover this pressure, the forecast variation is zero.

In addition, by necessity there has been an increased use of non-self-contained accommodation outside of London. Although this appears beneficial as the charges are lower, the Housing Benefit Subsidy is capped at the January 2011 Local Housing Allowance (LHA) rates, thus often making these placements more costly than those in London, especially when moving and furniture costs are factored in.

The properties owned by LBB and used for placing temporary accommodation clients is currently expected to underspend by £9k.

The Travellers budget is overspending by £60k and this is due to one of the sites experiencing high use of utilities (overspend of £47k) due to the site not having meters and loss of income (£13k) due to particular residents rent arrears.

The remaining £66k underspend is due an overspend on the Housing Needs running costs (£94k) that is being offset by the underspend on staffing costs (£160k). Housing are currently working on the final staffing structure they require to meet the new housing legislation.

Summary of overall variations within Housing:	£'000
Temporary Accommodation	1,135
Increase in Bad Debt Provision	462
Contingency Drawdown	Cr 1,597
Travellers Sites	60
Housing Needs	Cr 66
LBB Properties	Cr 9
Total variation for Housing	<u>Cr 15</u>

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 Corporate Services, the Director of Finance and the Director of Commissioning 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.

1) Repairs required to original refurbishment works at Bromley High Street costing £11k (Capital Scheme); £191k cumulative contract value.

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, one virement has been actioned:

1. £18k relating to the realignment of staffing costs within housing charged to capital.

Resources, Commissioning & Contracts Management Portfolio Budget Monitoring Summary

2017/18 Actuals £'000		2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
208	Director of Finance & Other	216	216	216	0		0	0
6,583	Exchequer - Revenue & Benefits	7,137	7,229	7,214	Cr 15	1	0	0
1,564	Exchequer - Payments & Income	1,623	1,623	1,623	0		0	0
623	Financial Accounting	520	520	490	Cr 30	2	0	0
1,464	Management Accounting	1,666	1,666	1,630	Cr 36	3	0	0
706	Audit	699	699	699	0		0	0
11,148	Total Financial Services Division	11,861	11,953	11,872	Cr 81		0	0
	CORPORATE SERVICES DIVISION							
4,545	Information Systems & Telephony	4,747	5,063	5,063	0		0	0
	Legal Services & Democracy							
305	Electoral	353	753	753	0		0	0
1,355	Democratic Services	1,419	1,439	1,439	0		0	0
1,960	Legal Services	1,687	1,739	1,879	140	4	0	140
131	Management and Other (Corporate Services)	178	178	178	0		0	0
8,296	Total Corporate Services Division	8,384	9,172	9,312	140		0	140
	HR AND CUSTOMER SERVICES DIVISION							
1,828	Human Resources	2,056	2,072	2,072	0		0	0
	Customer Services							
978	Customer Services Centre	1,022	1,022	1,022	0		0	0
Cr 108	Registration of Births, Deaths & Marriages	Cr 72	Cr 90	Cr 90	0		0	0
2,698	Total HR & Customer Services Division	3,006	3,004	3,004	0		0	0
	COMMISSIONING AND PROCUREMENT DIVISION							
670	Procurement and Data Management	663	713	713	0		0	0
820	Commissioning	893	930	930	0		0	0
101	Debt Management System	0	0	0	0		0	0
1,591	Total Commissioning & Procurement Division	1,556	1,643	1,643	0		0	0
	CHIEF EXECUTIVE'S DIVISION							
125	Comms	128	128	128	0		0	0
684	Management and Other (C. Exec)	726	750	750	0		0	0
148	Mayoral	153	153	153	0		0	0
957	Total Chief Executive's Division	1,007	1,031	1,031	0		0	0
	CENTRAL ITEMS							
3,047	CDC & Non Distributed Costs (Past Deficit etc.)	3,907	3,907	3,907	0		0	0
11,197	Concessionary Fares	11,390	11,390	11,390	0		0	0
38,934	TOTAL CONTROLLABLE CE DEPT	41,111	42,100	42,159	59		0	140
Cr 3,037	TOTAL NON CONTROLLABLE	1,015	1,015	1,015	0		0	0
Cr 15,386	TOTAL EXCLUDED RECHARGES	Cr 16,478	Cr 16,478	Cr 16,478	0		0	0
20,511	TOTAL CE DEPARTMENT	25,648	26,637	26,696	59		0	140
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
2,581	Admin Buildings & Facilities Support	2,670	2,576	2,576	0		0	0
123	Investment & Non-Operational Property	299	299	221	Cr 78	5	0	0
1,086	Strategic & Operational Property Services	1,122	1,122	1,122	0		0	0
295	TFM Client Monitoring Team	365	528	528	0		0	0
Cr 688	Other Rental Income - Other Portfolios	Cr 778	Cr 626	Cr 600	26	6	0	0
1,978	Repairs & Maintenance (All LBB)	2,008	2,094	2,094	0		0	0
5,375	TOTAL CONTROLLABLE ECS DEPT	5,686	5,993	5,941	Cr 52		0	0
Cr 36	TOTAL NON CONTROLLABLE	390	390	390	0		0	0
Cr 3,375	TOTAL EXCLUDED RECHARGES	Cr 3,453	Cr 3,453	Cr 3,453	0		0	0
Cr 1,568	Less: R&M allocated across other Portfolios	Cr 1,388	Cr 1,388	Cr 1,388	0		0	0
688	Less: Rent allocated across other Portfolios	778	626	600	Cr 26	6	0	0
1,084	TOTAL ECS DEPARTMENT	2,013	2,168	2,090	Cr 78		0	0
21,595	TOTAL RESOURCES PORTFOLIO	27,661	28,805	28,786	Cr 19		0	140

Reconciliation of Latest Approved Budget		£'000
Original budget 2018/19		27,661
Carry Forward Requests approved from 2017/18		
Contract Register database		50
Debt Management System- Transformation Grant - Expenditure		38
Debt Management System- Transformation Grant - Income	Cr	38
Exchequer- Revenue & Benefits Costs for retendering the Exchequer contract		91
Biggin Hill Airport- Noise Action Plan		24
Information Systems & Telephony GDPR		426
Legal Staffing costs GDPR		52
Merit Awards		36
Exchequer- Revenue & Benefits - Upgrade of Academy System		98
Repairs and Maintenance		163
Democratic Services- IT equipment for new Council Members		20
Central Contingency Adjustments		
R&M - Fire Risk Assessments & Cyclical Maintenance		86
Yeoman House - Expenditure	Cr	94
Cost of Local Elections		400
Liberata Contract (Cash Counting)	Cr	60
Apprenticeship Levy returned to central contingency	Cr	130
Savings (PYE) of Registrar's restructure	Cr	18
Latest Approved Budget for 2018/19		<u>28,805</u>

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

1. Revenue & Benefits Cr £15k

There is a projected underspend on staffing costs as a result of part year vacancies. It is expected that the vacant posts will be filled soon.

2. Financial Accounting Cr £30k

Due to part year vacancies there is a projected underspend within staffing of £30k. Recruitment is underway for these vacant posts.

3. Management Accounting Cr £36k

Staffing costs are projected to be below budget due to part year vacancies. Interviews are to be held shortly for these posts.

CORPORATE SERVICES DIVISION

4. Legal Services Dr £140k

This early in the financial year it is difficult to provide an accurate forecast on expenditure for legal services. However, it is estimated that there will be around 70 new childcare cases with a projected overspend of around £140k on Counsel fees & court costs based on previous years data. The number of childcare cases, although reducing, still exceeds the average number for previous years (around 48 cases).

EARLY WARNING

It is likely that Legal Services will have a deficit of income for Fees and Charges, Recoveries and Section 106 given the actual income received during 2017/18 as a result of reducing activity. The situation will be closely monitored and any variations highlighted in future budget monitoring reports.

ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT

TOTAL FACILITIES MANAGEMENT DIVISION

5. Investment & Non-Operational Property (expenditure) Cr £78k.

The budget for Surplus Properties is expected to overspend by £12k due to business rates for various surplus properties including Midfield centre, The Lodge and Hurstdene House. This is more than offset by an underspend of £90k on business rates for Bromley Town Hall.

6. Other Rental Income - Other Portfolios - Dr £26k

There is an overall shortfall of income projected of £26k. £30k relates to Beaverwood Depot due to Kier Services vacating the depot, a rent free period of £11k for Hayne Road Day Centre (ECHS) and other net variations Cr £15k.

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 Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, no waivers have been

Virements Approved to date under Director's Delegated Powers

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

Allocation of Contingency Provision for 2018/19

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year	
	£	£	£	£	£	£
General						
Provision for Unallocated Inflation	4,284,000			4,284,000	4,284,000	0
Increase in Cost of Homelessness/Impact of Welfare Reforms	3,396,000			3,396,000	3,396,000	0
General Provision for Risk/Uncertainty	2,219,000			2,177,000	2,177,000	Cr 42,000
Operational Building Maintenance & Planned Programme:						
Fire Risk Assessments & Cyclical Maintenance		86,000		0	86,000	(1) 86,000
Yeoman House - Part Year Saving		Cr 44,000		0	Cr 44,000	Cr 44,000
Provision for Risk/Uncertainty Relating to Volume & Cost Pressures	2,182,000			2,182,000	2,182,000	0
Impact of Chancellor's Summer Budget 2015 on Future Costs	1,158,000			1,158,000	1,158,000	0
Homelessness Reduction Act	750,000			750,000	750,000	0
Growth for Waste Services	587,000			587,000	587,000	0
Cost of Local Elections	500,000		400,000	100,000	500,000	0
Universal Credit - Claimant Fault Overpayment Recoveries	500,000			500,000	500,000	0
Further Reduction to Government Funding	500,000			500,000	500,000	0
Retained Welfare Fund	450,000			450,000	450,000	0
Deprivation of Liberty	118,000			118,000	118,000	0
Planning Appeals - Change in Legislation	60,000			60,000	60,000	0
Other Variations	101,000			101,000	101,000	0
Additional Income Opportunity (Amey)	Cr 500,000			Cr 500,000	Cr 500,000	0
London Pilot Business Rate Pool	Cr 2,900,000			Cr 2,900,000	Cr 2,900,000	0
National Increase in Planning Fees						
- Expenditure		240,000		0	240,000	(1) 240,000
- Income		Cr 240,000		0	Cr 240,000	Cr 240,000
Highways - Pothole Action Fund 2018/19						
- Expenditure		112,940		0	112,940	(1) 112,940
- Income		Cr 112,940		0	Cr 112,940	Cr 112,940
Items Returned to Central Contingency						
Waste Disposal			Cr 240,000	0	Cr 240,000	Cr 240,000
Parking - Bus Lane Contraventions			Cr 300,000	0	Cr 300,000	Cr 300,000
Apprenticeship Levy			Cr 130,000	0	Cr 130,000	Cr 130,000
Liberata Contract (Cash Counting)			Cr 60,000	0	Cr 60,000	Cr 60,000
Beckenham and Penge BID			Cr 44,000	0	Cr 44,000	Cr 44,000
Highways Maintenance Contract - Part Yr Saving			Cr 169,000	0	Cr 169,000	Cr 169,000
Registrar's Service - Part Yr Saving			Cr 18,000	0	Cr 18,000	Cr 18,000
	13,405,000	42,000	Cr 561,000	12,963,000	12,444,000	Cr 961,000
Grants included within Central Contingency Sum						
Adult Social Care						
Grant Related Expenditure	873,000			873,000	873,000	0
Adult Social Care Support						
Grant Related Expenditure	744,000			744,000	744,000	0
Grant Related Income	Cr 744,000			Cr 744,000	Cr 744,000	0
Tackling Troubled Families						
Grant Related Expenditure	845,000			845,000	845,000	0
Grant related Income	Cr 845,000			Cr 845,000	Cr 845,000	0
SEN Implementation						
Grant Related Expenditure	189,000	189,000		0	189,000	(1) 0
Grant Related Income	Cr 189,000	Cr 189,000		0	Cr 189,000	0
SEND Preparation for Employment						
Grant Related Expenditure	63,000	63,000		0	63,000	(1) 0
Grant Related Income	Cr 63,000	Cr 63,000		0	Cr 63,000	0
SEN Patherfinder Grant 2018/19						
Grant Related Expenditure			27,522	0	27,522	27,522
Grant Related Income			Cr 27,522	0	Cr 27,522	Cr 27,522
TOTAL CARRIED FORWARD	14,278,000	42,000	Cr 561,000	13,836,000	13,317,000	Cr 961,000

Notes:

(1) Executive 28th March 2018

Allocation of Contingency Provision for 2018/19 (continued)

Item	Carried Forward from 2017/18	Allocations				Total Allocations/Projected for Year	Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Projected for Remainder of Year	Items		
	£	£	£	£	£	£	
TOTAL BROUGHT FORWARD	14,278,000	42,000	Cr 561,000	13,836,000	13,317,000	Cr 961,000	
Items Carried Forward from 2017/18							
Adult Care & Health Portfolio							
Social Care Funding via the CCG under S75 Agreements							
Improved Better Care Fund							
- Expenditure	3,171,681		3,171,681	0	3,171,681	(4)	0
- Income	Cr 3,171,681		Cr 3,171,681	0	Cr 3,171,681		0
Better Care Fund - 2015/16 GoodGym							
- Expenditure	7,500		7,500	0	7,500	(4)	0
- Income	Cr 7,500		Cr 7,500	0	Cr 7,500		0
Better Care Fund 2017/18							
- Expenditure	28,390		28,390	0	28,390	(4)	0
- Income	Cr 28,390		Cr 28,390	0	Cr 28,390		0
Public Health							
- Expenditure	1,018,324		1,018,324	0	1,018,324	(4)	0
- Income	Cr 1,018,324		Cr 1,018,324	0	Cr 1,018,324		0
Resources, Commissioning & Contracts Management Portfolio							
Debt Management System Project - Transformation Grant							
- Expenditure	37,860		37,860	0	37,860	(6)	0
- Income	Cr 37,860		Cr 37,860	0	Cr 37,860		0
Public Protection & Enforcement Portfolio							
Asset Recovery Incentivisation Scheme (ARIS)							
- Expenditure	48,125	48,125	0	0	48,125	(2)	0
- Income	Cr 48,125	Cr 48,125	0	0	Cr 48,125		0
Renewal, Recreation & Housing Portfolio							
Asset Recovery Incentivisation Scheme (ARIS)							
- Expenditure	84,633	84,633	0	0	84,633	(2)	0
- Income	Cr 84,633	Cr 84,633	0	0	Cr 84,633		0
New Homes Bonus - Town Centre Development							
- Expenditure	36,378		36,378	0	36,378	(3)	0
- Income	Cr 36,378		Cr 36,378	0	Cr 36,378		0
New Homes Bonus - Regeneration							
- Expenditure	171,260		171,260	0	171,260	(3)	0
- Income	Cr 171,260		Cr 171,260	0	Cr 171,260		0
Planning Strategy & Projects - Custom Build Grant							
- Expenditure	30,000		30,000	0	30,000	(3)	0
- Income	Cr 30,000		Cr 30,000	0	Cr 30,000		0
Implementing Welfare Reform Changes							
- Expenditure	54,918		54,918	0	54,918	(3)	0
- Income	Cr 54,918		Cr 54,918	0	Cr 54,918		0
Flexible Homeless Grant							
- Expenditure	82,600		82,600	0	82,600	(3)	0
- Income	Cr 82,600		Cr 82,600	0	Cr 82,600		0
2016/17 Fire Safety Grant							
- Expenditure	43,870		43,870	0	43,870	(3)	0
- Income	Cr 43,870		Cr 43,870	0	Cr 43,870		0
Environment & Community Portfolio							
Highways - Pothole Action Fund							
- Expenditure	112,940	112,940	0	0	112,940	(2)	0
- Income	Cr 112,940	Cr 112,940	0	0	Cr 112,940		0
Education, Children and Families Portfolio							
Delivery Support Fund							
- Expenditure	69,100		69,100	0	69,100	(8)	0
- Income	Cr 69,100		Cr 69,100	0	Cr 69,100		0
SEND Reform Grant							
- Expenditure	20,013		20,013	0	20,013	(8)	0
- Income	Cr 20,013		Cr 20,013	0	Cr 20,013		0
School improvement Grant							
- Expenditure	46,500		46,500	0	46,500	(8)	0
- Income	Cr 46,500		Cr 46,500	0	Cr 46,500		0
Pathfinder Grant							
- Expenditure	16,489		16,489	0	16,489	(8)	0
- Income	Cr 16,489		Cr 16,489	0	Cr 16,489		0
Early Years Grant							
- Expenditure	14,800		14,800	0	14,800	(8)	0
- Income	Cr 14,800		Cr 14,800	0	Cr 14,800		0
High Needs Strategic Planning Fund							
- Expenditure	13,019		13,019	0	13,019	(8)	0
- Income	Cr 13,019		Cr 13,019	0	Cr 13,019		0
Tackling Troubled Families							
- Expenditure	497,885		497,885	0	497,885	(8)	0
- Income	Cr 497,885		Cr 497,885	0	Cr 497,885		0

Item	Carried Forward from 2017/18	Allocations				Total Allocations/Projected for Year	Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total		
	£	£	£	£	£	£	£
General							
Short Term Assistance to Day Centres	152,025	152,025		0	152,025	(1)	0
R&M - Central Depot Wall	163,000	163,000		0	163,000	(2)	0
Democratic Services - Councillor IT Provision	20,000	20,000		0	20,000	(2)	0
Contracts Register/Summaries Database	50,000		50,000	0	50,000	(6)	0
Biggin Hill Airport - Noise Action Plan	24,315		24,315	0	24,315	(6)	0
Information Systems & Telephony GDPR	426,000		426,000	0	426,000	(6)	0
Legal Staff Costs GDPR	52,000		52,000	0	52,000	(6)	0
Staff Merit Awards	36,000		36,000	0	36,000	(6)	0
Exchequer Revenue & Benefits - Exchequer Contract	91,000		91,000	0	91,000	(6)	0
Exchequer Revenue & Benefits - Academy System Upgrade	98,000		98,000	0	98,000	(6)	0
Green Garden Waste - Debt Management System	120,000		120,000	0	120,000	(7)	0
Management and Contract Support	80,000		80,000	0	80,000	(7)	0
Parks Infrastructure Works	80,000		80,000	0	80,000	(7)	0
Additional ECS Resources - Delay in Recruitment	67,000		67,000	0	67,000	(5)	0
Total Carried Forward from 2017/18	1,459,340	335,025	1,124,315	0	1,459,340		0
GRAND TOTAL	15,737,340	377,025	563,315	13,836,000	14,776,340		Cr 961,000

Notes:

- (1) Council 26th February 2018
- (2) Executive 28th March 2018
- (3) Renewal, Recreation & Housing PDS 26th June 2018
- (4) Adult Care & Health PDS 27th June 2018
- (5) Public Protection & Enforcement PDS 3rd July 2018
- (6) Executive, Resources & Contracts PDS 5th July 2018
- (7) Environment & Community Services PDS 10th July 2018
- (8) Education, Children & Families Budget & Performance Monitoring Sub-Committee 18th July 2018

Description	2018/19 Latest Approved Budget £'000	Variation To 2018/19 Budget £'000	Potential Impact in 2019/20
Housing Needs - Temporary Accommodation	6,241	Cr 15	The full year effect of Temporary Accommodation is currently estimated to be £808k (pressure of £1,943k less drawdown of £1,135k) in 2019/20. This estimate only takes into account the projected activity to the end of this financial year and not any projected growth in client numbers beyond that point. The costs are expected to be covered by a contingency bid during 2019/20 as has been the case for a number of years.
Assessment and Care Management - Care Placements	22,241	234	The full year impact of the current overspend is estimated at Dr £508k. £218k of this relates to residential and nursing home placements and £290k to domiciliary care / direct payments . This is based on client numbers as at the end of May. The fye is reduced by management action relating to additional joint funding income from the CCG of an expected £340k.
Learning Disabilities - including Care Placements, Transport and Care Management	33,551	102 (net of planned management action)	The full year effect is estimated at a net overspend of £177k. This figure is net of planned savings from management action, without which the full year effect overspend would be £941k, so the delivery of the savings is critical. At this early stage in the financial year the projections include a number of assumptions so the position is likely to vary as the year progresses.
Mental Health - Care Placements	6,259	129	Based on current placements and Panel agreements there is a full year overspend of £156k anticipated on Mental Health care packages. As with Learning Disabilities above, it is still very early and this position is likely to shift during the year.
Supporting People	1,013	Cr 74	The full year effect of Supporting People is currently estimated to be a credit of £94k. This is a result of the estimated savings from retendering of the contracts that has taken place.
Children's Social Care	34,414	1,524	The overall full year effect of the Children's Social Care overspend is £1,291k, analysed as Residential, Fostering and Adoption £2,514k and Leaving Care services (inc Staying Put and Housing Benefit clients) £242k. This assumes that management action of £960k is achieved in 2019/20 and additional funding being negotiated from Bromley CCG of £505k is also received.
Legal Services - Legal / Counsel Fees and Court costs	389	140	The overspend for counsel fees and court costs projected for 2018/19 is due to the continuing high volume of childcare cases which is estimated to be around 70 this year and this level is likely to continue in 2019/20. At this time additional expenditure of around £140k is projected for 2019/20.
Adult Education	Cr 525	155	The pressure in the Adult Education area is being caused by the provision of non-fee paying courses as required by the community learning element of the ESFA grant. This requires us to provide provision to support vulnerable communities and any reduction in the priority area risks a reduction in the future allocation of the grant. The full year effect is projected to be £130k.
Parking	Cr 7,419	Cr 3	The downward trend in Off and On Street parking income of approximately £110k is expected to be offset by the income from bus lane enforcement, after assuming a slight drop off in contraventions. At this stage no overall variance is projected for Parking in 2019/20.
Waste	18,000	Cr 11	The extra income generated from additional customers for the GGW service is expected to continue in 2019/20 which will offset the net shortfall of income from the reduction in Trade Waste Collection customers. At this stage no overall variance is projected for Waste in 2019/20.

Description	2018/19 Latest Approved Budget £'000	Variation To 2018/19 Budget £'000	Potential Impact in 2019/20
Highways	6,520	0	Following the award of the contract for Major and Minor Highway Maintenance contracts, the overall saving will increase by £4k to £173k in 2019/20 rising to £324k per annum from 2020/21, mainly from Street Lighting efficiency savings as reported to Executive on 20th April 2018.

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:

31st March 2018 £000	Service	Income £000	Expenditure £000	Transfers to/(from) Capital £000	Actual as at 31st May 2018 £000
<u>Revenue</u>					<u>Revenue</u>
391	Highway Improvement Works	3	-	-	394
18	Road Safety Schemes	-	-	-	18
45	Local Economy & Town Centres	3	-	-	48
87	Parking	-	-	-	87
1,198	Healthcare Services	57	-	-	1,255
10	Community Facilities	-	-	-	10
311	Other	-	-	-	311
2,060		63	0	-	2,123
	<u>Capital</u>				<u>Capital</u>
3,311	Education	200	-	-	3,511
3,104	Housing	561	-	-	3,665
-	Local Economy & Town Centres	76	-	-	76
82	Highway Improvement Works	-	-	-	82
86	Other	-	-	-	86
6,583		837	0	-	7,420
8,643		900	0	0	9,543