

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	Variation previously reported Exec 28/11/18 £'000
Adult Care & Health	67,346	Cr 497	66,849	66,836	Cr 13	333
Education, Children & Families (incl. Schools' Budget)	40,189	243	40,432	43,429	2,997	2,030
Environment & Community	30,546	Cr 724	29,822	29,133	Cr 689	Cr 141
Public Protection & Enforcement	2,424	54	2,478	2,259	Cr 219	Cr 118
Renewal, Recreation & Housing	13,970	2,538	16,508	16,572	64	Cr 51
Resources, Commissioning & Contracts Management	46,797	889	47,686	46,194	Cr 1,492	Cr 547
Total Controllable Budgets	201,272	2,503	203,775	204,423	648	1,506
Capital, Insurance & Pensions Costs (see note 2)	12,056	0	12,056	12,056	0	0
Non General Fund Recharges	Cr 759	0	Cr 759	Cr 759	0	0
Total Portfolios (see note 1)	212,569	2,503	215,072	215,720	648	1,506
Central Items:						
Income from Investment Properties	Cr 9,973	200	Cr 9,773	Cr 9,494	279	252
Interest on General Fund Balances	Cr 3,491	0	Cr 3,491	Cr 3,991	Cr 500	Cr 350
Total Investment Income	Cr 13,464	200	Cr 13,264	Cr 13,485	Cr 221	Cr 98
Contingency Provision (see Appendix 4)	14,278	Cr 12,736	1,542	716	Cr 826	Cr 1,454
Other central items						
Reversal of net Capital Charges (see note 2)	Cr 10,646	0	Cr 10,646	Cr 10,646	0	0
Utilisation/Set Aside of Prior Year Collection Fund Surplus	2,210	0	2,210	2,210	0	0
New Homes Bonus Support for Revenue	Cr 2,256	0	Cr 2,256	Cr 2,256	0	0
Contribution to Technology Fund - IT Strategy	0	3,500	3,500	3,254	Cr 246	0
Contribution to Housing Investment Fund	0	7,500	7,500	7,500	0	0
Contribution to Civic Centre Improvement Works	0	200	200	200	0	0
Contribution to Transformation Fund	0	500	500	500	0	0
Levies	1,262	0	1,262	1,262	0	0
Total other central items	Cr 9,430	11,700	2,270	2,024	Cr 246	0
Prior Year Adjustments						
Mental Health Provision	0	0	0	Cr 628	Cr 628	Cr 328
Write back of IT costs back to revenue	0	0	0	746	746	0
RCCO charge back to revenue	0	0	0	Cr 500	Cr 500	0
Total Prior Year Adjustments	0	0	0	Cr 382	Cr 382	Cr 328
Total all central items	Cr 8,616	Cr 836	Cr 9,452	Cr 11,127	Cr 1,675	Cr 1,880
Bromley's Requirement before balances						
Carry Forwards from 2017/18 (see note 3)	203,953	1,667	205,620	204,593	Cr 1,027	Cr 374
Carry Forward from 2017/18 (R&M)	0	Cr 1,296	Cr 1,296	0	1,296	1,296
Adjustment to Balances	0	Cr 163	Cr 163	0	163	163
	0	0	0	1,068	1,068	Cr 1,085
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 41,960	0	Cr 41,960	Cr 43,460	Cr 1,500	0
New Homes Bonus	Cr 3,534	0	Cr 3,534	Cr 3,534	0	0
New Homes Bonus Topslice	0	Cr 208	Cr 208	Cr 208	0	0
Collection Fund Surplus	Cr 7,852	0	Cr 7,852	Cr 7,852	0	0
Bromley's Requirement	150,607	0	150,607	150,607	0	0
GLA Precept	38,251	0	38,251	38,251	0	0
Council Tax Requirement	188,858	0	188,858	188,858	0	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	1,044	(see Appendix 4)
	<u>2,503</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	Variation previously reported Exec 28/11/18 £'000
Education Care & Health Services	129,664	2,051	131,715	134,893	3,178	2,307
Environment & Community Services	57,257	Cr 789	56,468	55,200	Cr 1,268	Cr 289
Chief Executive's Department	25,648	1,241	26,889	25,627	Cr 1,262	Cr 512

	212,569	2,503	215,072	215,720	648	1,506
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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

(Environment & Community Portfolio)

The Environment Portfolio has a net underspend of £675k for 2018/19. This is mainly from Waste Services (£331k), Highways (£125k), Traffic (£105k) and other net variances across the Portfolio totalling Cr £114k.

The variances in Waste Services are mostly from the green garden waste service due to an increase in the number of customers and lower use of the sixth vehicle. A request will be made to the Executive to approve a carry forward sum of £120k that was previously set aside for developing a direct debit system for green garden waste, to enable the work to be carried out during 2019/20.

The additional income in Highways and Traffic is mainly due a spike in the volume of Section 74 Notices and applications for road closure. It is not expected that the utility companies will continue to submit this volume of applications in future years.

Income from parking charges continues to decline and the reduction in parking contraventions has been partly offset by additional bus lane contraventions.

(Public Protection and Enforcement Portfolio)

There is a net underspend of £219k projected for the Public Protection and Enforcement Portfolio for 2018/19, of which £166k is related to staffing, mainly due to a delay in recruitment. A request will be submitted to the Executive to carry forward £139k to 2019/20 and 2020/21 to fund the remaining agreed term for the three additional temporary Food Safety Officers and fixed term Interim PPS Assistant Director.

(Renewal, Recreation and Housing Portfolio)

The Renewal, Recreation & Housing Portfolio (ECS dept) has a net underspend of £169k for 2018/19. £80k of this relates to underspends on projects funded from the New Homes Bonus monies, which will need to be carried forward subject to formal approval by the Executive and the GLA. The remaining underspend of £89k is mainly due to staff vacancies.

Analysis of Risks

– Environment & Community Portfolio

The new environment contracts have been awarded recently which will take effect from 1 April 2019. In particular, the Street Environment Contracts have experienced an overall increase in service costs based on an as-is service delivery model. The procurement of the new waste disposal contract has been successful in mitigating the increase in growth pressure through the use of alternative disposal solutions.

Any growth in the number of properties will incur additional expenditure, as extra collections are required and additional waste is generated. Another potential risk area is recycling paper income. Wet weather could affect the quality of the paper and therefore may lead to issues arising 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 Trees budget, due to the unpredictable nature of storm damage 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 is ongoing to reduce risk of Government Designation for Special Measures due to Planning performance.

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.

For major appeals, which can arise unpredictably, there is often a need for specialist external consultants advice which creates additional costs.

– Public Protection & Enforcement Portfolio

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

The provision of a sustainable mortuary service at an affordable cost in the long term is problematic due to variables in demand and a very limited market with little competition.

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 it will probably be under 70 cases. A minimum court fee of £2,025 is payable on each case which means that with an estimated additional which even with an additional 12 cases will still represent a substantial sum. 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. There has been a high turnover of staff in the team which has had a major impact on using in-house staff for advocacy, to gradually reduce spend on Counsel.

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

The Adult, Care and Health Services Portfolio has a projected underspend of £13k for the year. This is a demand led service that has scrutiny of spend and quality built into the process such as PRG and other case discussion forums for each service area.

The main areas of pressure are in Assessment and Care Management, Learning Disabilities and Mental Health, and relate to the growing number of service users supported, which is above the numbers and baseline of the budget that was agreed in this financial year. As a demand led service, we are statutorily bound to provide support and care to residents based on their assessed needs. In addition, we are providing more support to carers to ensure they adequately support their loved ones to reduce escalation to statutory care services.

The pressure reflects the growing number of young people with statutory statements of need who are being transferred from children`s services. We are also seeing a number of providers managing challenging behaviour of older people with dementia and requesting additional staffing to care for them in a safe and humane way. These cases are automatically referred to the CCG for joint funding decisions which will continue as stated above.

The overspend in Assessment and Care Management also include the unrealised savings of £150k that was predicated on the transfer of re-ablement to BHC.

Bromley health and social care had a very busy summer with higher than ever recorded attendances at the PRUH, in turn we have seen a spike in both residential and nursing care placements (25 above budget) having to be made.

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. We are seeing high demand from very complex cases where frailty and conditions relating to disability and ageing are compounded by the need for double handed care, sometimes 1 to 1 care provision to stabilise challenging behaviour.

The risks in the Care Services 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

Housing

The end of year position in housing services is estimated to be a £41k credit, although this assumes that £2,489k 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 welfare reform, 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 Welfare reform

- Education, Children and Families Portfolio

The Children, Education and Families Portfolio has an overspend of £2,997,000 for the year.

The Education Division has an underspend of £54,000. Pressures in Adult Education, in house nurseries and the Education Welfare Service are currently being partly mitigated by Workforce Development and Governor Services, Early Years and SEN and Inclusion.

There is a current projected underspend in DSG of £281k. This will be added to the £1,180k carried forward from 2017/18. The carry forward figure has been adjusted by the Early Year adjustment which has reduced the amount we received in 2017/18 by £166k. This gives us an estimated DSG balance of £1,295k at the end of the financial year. This includes the additional £788k extra funding that Government announced on the 17th December 2018 for the High Needs Block. It has been agreed that £212k of this funding will be utilised in 2019/20 to cover High Needs Block costs. This will in effect come from the £1,295k that is estimated to be carried forward into 2019/20. Without the £788k funding LBB would only be carrying forward £507k into 2019/20

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 demands. The Council has contributed £1m in 2018/19 and £1m was top sliced from Schools DSG funding to support the High Needs Block. For 2019/20 the Council Contribution rises to £1.9m and the schools contribution reduces to zero. There is likely to be further increase pressures in this area that further funding streams will need to address.

In Children's Social Care the overspend of £3,051k 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 59 more children (246) (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*

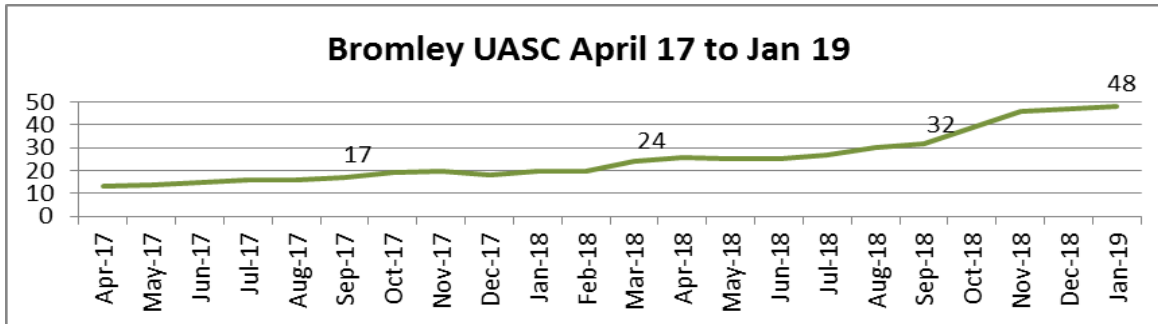
Table 2

Code	2018/19 Approved Budget		2018/19 Forecast			2018/19 Variation	
	£	Full Year Equiv.	£	Full Year Equiv.	£	Full Year Equiv.	
RESIDENTIAL (all types)	5,596,870	28.21	7,492,145	46.61	1,895,275	18.40	
FOSTERING							
Fostering IFA	2,617,790	60.56	3,889,747	87.66	1,271,957	27.10	
Fostering In house	2,873,890	98.53	2,687,417	112.15	(186,473)	13.62	
Total Fostering Placements	5,491,680	159.09	6,577,164	199.81	1,085,484	40.72	
TOTAL RESIDENTIAL/ FOSTERING PLACEMENTS	11,088,550	187.30	14,069,309	246.42	2,980,759	59.12	

We have continued to see an increase in the number of Looked After Children but are confident that the right children are being cared for and this is borne out by the Courts. LA applications to Court for orders and the care plans are being validated by the court which indicates that our thresholds are correct and that these children need to be safeguarded away from their parents. The number of care proceedings has dropped slightly is currently at 81 sets of proceedings – this number is for families and may involve a number of children in each family. We also have 43 families currently under the PLO and a number of these families could also be issued for care proceedings if issues of safeguarding cannot be mitigated. These children are likely to be subject to CP plans and these plans are not having the impact anticipated. The LA applications to court for orders and the care plans are being validated by the court which indicates that our thresholds are correct and that these children need to be safeguarded away from their parents. There is a cost implication for these children who will be cared for through fostering either in house of IFA and/or residential settings.

The continuing impact of the Social Work Act to support our children to the age of 25 is not yet fully showing itself but we can see the impact following the statutory letters sent out to 115 young people and the flow of young people contacting the authority for support. Some of this support is merely 'touch base' and others because they have found themselves in financial difficulty and threatened with tenancy breakdowns – at the current time we are receiving 2 or 3 contacts per week. We know that once Universal Credit is fully implemented this will likely increase the work required to support these young people. This in turn will have an impact on staffing and the likely need for growth in respect of YPA's.

Bromley as part of the Pan London agreement had 48 UASC minors in January 2019. Our current cohort of Looked After is 338 and 48 of these are UASC. Currently there are only 6 boroughs who remain on the rota below their 0.7% – 53 children and Bromley is one of these. Two other boroughs are nearing their capacity and this will have a further impact on the Looked After population in Bromley. We are currently awaiting the most up to date figures regarding those young people who would turn 18 at the beginning of January but the government figures are 2 months behind and therefore at the current time is not taking account of those borough's declaring their 18+ cohort.



Of the 48 young people 19 of them are 16 years and below and 29 are 17 years and below – 5 have turned 18 in January and will now be eligible for leaving care services and a further 4 will turn 18 between February and April.

We currently have 51 care leavers eligible for services and 63 will be in this cohort within 6 months. This is currently 24% of the current workload for the service and is having an impact on social work time.

Due to the cultural match and complexity of these young people a number of them are in IFA placements which are more expensive. We are currently setting up a specialist fostering service to support these young people and provide more in house carers for emergencies which will reduce cost but ensure that young people receive wrap around services from us. At the present time we have 20 placements with IFA at a cost £450k

The increase is having an impact on staffing and at the current time we have 1 social work post and 3 YPA's. A growth bid was agreed for 2019/20 which acknowledged the increases in UASC's coming through the system.

We have already created as an interim measure a 4th team manager post which is being paid for from vacancies – this is not sustainable. In addition this has an impact on the financial capacity to make the necessary and somewhat complicated home office claims.

Alongside this are hidden costs of social work time, IRO's and services required to support these very vulnerable young people.

In addition this has a knock on effect to the capacity within the Virtual School.

Although the Council are given grant (£91 per day for a 16+, £114 per day for an U16) this does not cover the costs of the placements and the on costs. An additional 30 children (based on 23 last reported in May and the maximum allocation of 53) placed in independent foster care could cost as much as £1,350k gross per annum in a full year in placements alone. There would also be costs of additional social workers and other back office costs of £400k. This would be offset by grant of £930k leaving a net position of £820k.

This is the worst case scenario and assumes that all of the children are placed in more expensive settings so the final amount will be subject to the actual setting they are placed in. Growth has also been agreed and put into the budget to mitigate against this.

Residential Placements:

This continues to be a challenge for the authority and across other Local Authorities with regard to suitable quality placements for children with complex needs and especially those who meet the secure threshold. This is being addressed through the building of two further educational secure units but these will not come on stream for a couple of years. Therefore the issues of lack of suitable safe placements persists.

At the current time we have 2 young people in secure and when they step down to residential this is likely to continue to be a high cost responsibility in terms of having to put 2:1 and then 1:1 staffing around them. The costs for this type of residential continue to remain around £8,900 per week - we should be predicting that a repeat of last year is likely to occur and therefore this should be calculated for 2 young people at any one time for a period of 6 months each in the region of £442, 000 per year and an expected uplift from providers during the year 18/19

In addition we are discussing with the West London Alliance whether Bromley should join this hub and how this would support us going forward in terms of suitable placements and have more strength in negotiating terms with IFA's

A meeting regarding this is taking place the week of 18th February 2019

The Virtual School is being challenged in respect of the numbers of adopters in Bromley who under the Social Work Act are now able to request support from the Virtual School – this is at present around 2 or 3 enquiries per week together with school requests. This is predicted to grow as Bromley is likely to have a richness in adoptive families where children have been placed by other adoption agencies. The Government when including this in the SW Act considered that this would not have an impact on the work of the VS however this is dependent on the particular Borough and its demographics.

Agency staff continues to be cost burden although we have maintained around 85% of permanent social worker staff coming from the low figure of 42% in 17/18.

We have developed our 23 one hundred day students and anticipate that a number of these students will be offered placements to offset the agency figures. In addition we will repeat the same exercise as of last year in recruiting up to 30 ASYE in September to replace the agency workers. We continue to convert as many workers as possible and as such a recruitment campaign will recommence in February with a 'conversion' event and advertising campaign on the back of our Ofsted outcome. This area will continue to be a challenge as we are competing with other LA who are raising their salaries and costs to attract the small pool of skilled experienced workers. Our caseload promise and training continues to attract some workers to Bromley. The recruitment and retention board meets monthly to consider how best to address this.

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

- i) Recruitment and retention of permanent staff/ ability to recruit skilled staff for the posts vacant.
- ii) Limited supply and increasing costs of residential placements – including the specialist placements for very complex young people.
- iii) Increase in the Looked After Population – particularly in our Looked After Unaccompanied Minors
- iv) Increased complexity of children (SEND).
- v) Impact of Social Work Act 2017 implementation.
- vi) Income from partners reducing.

vii) Shortage of local school places.

viii) Increasing High Needs Block expenditure not matched by a commensurate increase in Government Grant

ix) Continuing impact of 2014 Children and Families Act extending the age range to 25 for Education, Health and Care Plans.

Adult Care and Health Portfolio Budget Monitoring Summary

2017/18 Actuals	Division Service Areas	2018/19 Original Budget	2018/19 Latest Approved	2018/19 Projected Outturn	Variation	Notes	Variation Last Reported	Full Year Effect
£'000		£'000	£'000	£'000	£'000		£'000	£'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Adult Social Care								
23,836	Assessment and Care Management	23,462	22,759	23,817	1,058	1	831	954
0	Planned A&CM savings from management action	0	0	Cr 62	Cr 62		Cr 171	Cr 340
406	Direct Services	144	144	144	0		0	0
0	Quality Assurance & Safeguarding	0	121	121	0		0	0
32,070	Learning Disabilities	33,551	33,706	34,303	597	2	668	1,542
0	Planned LD savings from management action	0	0	Cr 19	Cr 19		Cr 123	Cr 220
6,018	Mental Health	6,273	6,169	6,311	142	3	160	161
0	IBCF Expenditure	0	0	0	0	4	Cr 500	0
Cr 1,009	Better Care Funding - Protection of Social Care	0	0	Cr 519	Cr 519	5	Cr 369	Cr 33
Cr 935	Better Care Fund / Improved Better Care Fund	0	0	0	0		0	0
0	Winter Pressures Grant	0	0	Cr 1,190	Cr 1,190	6	0	0
60,386		63,430	62,899	62,906	7		496	2,064
Programmes								
1,639	Programmes Team	1,986	2,356	2,347	Cr 9	7	Cr 133	0
	Information & Early Intervention						Cr 123	Cr 33
3,152	- Net Expenditure	2,505	2,505	2,332	Cr 173		Cr 123	Cr 33
Cr 3,152	- Recharge to Better Care Fund	Cr 2,420	Cr 2,505	Cr 2,332	173		123	33
	Better Care Fund							
21,680	- Expenditure	21,183	21,949	21,949	0		0	0
Cr 21,819	- Income	Cr 21,275	Cr 22,041	Cr 22,041	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	1,500	1,500	0		0	0
Cr 28	- Income	0	Cr 1,500	Cr 1,500	0		0	0
1,500		1,106	1,391	1,382	Cr 9		Cr 133	0
Strategy, Performance & Engagement								
300	Learning & Development	372	362	357	Cr 5	8	0	0
1,961	Strategy, Performance & Engagement	2,383	2,142	2,136	Cr 6		Cr 30	0
2,261		2,755	2,504	2,493	Cr 11		Cr 30	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	66,849	66,836	Cr 13		333	2,064
1,419	TOTAL NON CONTROLLABLE	221	400	369	Cr 31	9	Cr 5	0
2,364	TOTAL EXCLUDED RECHARGES	2,546	2,116	2,116	0		0	0
67,937	TOTAL ADULT CARE & HEALTH PORTFOLIO	70,113	69,365	69,321	Cr 44		328	2,064

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 requests

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
Budget Transfer - Rent of Queen Mary's Hospital (CLDT)		80
Budget Transfer - Rent of Queen Mary's Hospital (CLDT) - adjustment	Cr	27
Transfer of Contracts Administrator post		20
Fire Risk Assessment and Cyclical Maintenance		27
IBCF Expenditure		500
Drawdown of Health Funding		
- expenditure		1,500
- income	Cr	1,500
Strategic and Business Support Services restructure		10
Customer Relations Officer post		12
Transfer of resources from ECHS to Liberata contract budget	Cr	28
Winter Pressures Grant drawdown		
- expenditure		1,190
- income	Cr	1,190
Return IBCF funding to contingency	Cr	500
Adult Social Care Support Grant drawdown	Cr	744
Virement from Programmes and Strategy Divisions to Childrens Social Care	Cr	250

Latest Approved Budget for 2018/19

69,365

REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £996k 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		31
- FYE Management Action	Cr	62
- Domiciliary Care / Direct Payments	Cr	72
	Cr	<u>103</u>
Services for 18 - 64		
- Placements		325
- FYE Management Action		0
- Domiciliary Care / Direct Payments		<u>155</u>
		<u>480</u>
Other		
- Day Care	Cr	600
- Transport	Cr	93
- Staffing		100
- Community Equipment		230
- D2A		982
		<u>996</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+ - Cr £103k

Numbers in residential and nursing care continue to be above the budget provision, currently by 25 placements above the budget of 414, with an overspend being projected of £31k for the year. This is an increase of 8 places since the last report in September. Although the numbers are much higher than the budget numbers, the variation is relatively small at £31k as income in relation to court of protection cases continues to partly offset this increase in costs.

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 £62k. This has been remained the same since the last monitoring, with £51k of this now achieved, and £11k still projected to be achieved.

The overall position on the domiciliary care and direct payments budgets is an underspend of £72k, which is a change from the underspend position of £63k projected in September, a change of Cr £9k. This underspend consists of:

1) There is an overspend of £150k relating to a saving that had already been included in the 2018/19 budget with the expected transfer of the Reablement Service to Bromley Health Care in 2017/18. This did not happen as envisaged, however the saving had already been included in the budget, so currently remains as an overspend.

2) Domiciliary care is currently projected to underspend by £5k, moving from an underspend of £19k last time. Domiciliary care hours have remained fairly constant since the introduction of the D2A service, implying that the expected effect of D2A in reducing domiciliary care packages has not happened. Direct payments are projected to underspend by £217k, an increase in the underspend of £23k from the September projection, partly due to the recovery of unused direct payments from service users.

Services for 18-64+ - Dr £480k

Placements for 18-64 age group are projected to overspend by £325k this year based on current service user numbers, an increase of £68k since the September position. The main pressure area relates to clients with a primary support reason (PSR) of memory and cognition where the actual number of 16 is 8 above the budget provision. This has however decreased by 2 since September, with overall placement costs reducing by £40k.

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 £108k. This has been removed since the last monitoring as it is now not expected to be achieved this year, although officers continue to work to ensure joint funding is appropriately received.

The overall position on the domiciliary care and direct payments budgets is an overspend of £155k, a reduction of £102k since September. Domiciliary care is currently projected to overspend by £11k, a reduction of £62k from last time, and direct payments by £144k, a reduction of £40k since September. The main reduction relates to the recovery of unused direct payments from service users.

Day Care Services - Cr £600k

Day Care services continue to show reduced use of the service with low numbers compared to the budget provision. In addition contracts that we had with some providers for the provision of transport to their centres have ended, with the main Greenwich Services Plus (GSP) transport contract taking on these clients. This has resulted in a current projected underspend of £600k.

Transport - Cr £93k

The reduced use of Day Care services has impacted on the service provided by Greenwich Services Plus (GSP), with an underspend now projected of £93k for the year.

Staffing - Dr £100k

Within Assessment & Care Management, additional agency staff have had to be brought in to deal with a backlog of reviewing both current service users and those who are coming through the "front door". This has resulted in additional costs of circa £100k.

Community Equipment - Dr £230k

The Community Equipment budget is projected to overspend by £400k this year. As detailed in the report to Executive in July 2017, Bromley's contribution is capped at £600k, so any overspend needs to be financed by the CCG, with a request to draw funds from the Better Care Fund. With the announcement of the Winter Pressures Funding Grant this year, £230k has been allocated to offset this overspend, which is included in the amount shown at note 6 below.

Discharge to Assess (D2A) - Dr £982k

At its meeting on 27th June the Executive agreed to extend the Discharge to Assess (D2A) pilot for another year. The packages of care provided under the D2A scheme are projected to cost £982k this year. Any savings arising from this would show under the appropriate care package heading (ie placements or domiciliary care/direct payments), so would already be taken account of in the projections shown above.

2. Learning Disabilities - Dr £578k Net of Management Action

This set of projections is based both on current care packages and also assumptions regarding clients expected to be placed this financial year, planned savings, 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' is 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. This risk is minimised given the late stage in the financial year.

As outlined in previous monitoring reports, the 2018/19 LD budget included 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. The 2017/18 final outturn report highlighted that both of these included assumptions on planned savings from management action. The delivery of a balanced budget position in 2018/19 was therefore dependent on these savings being achieved as well as the successful management of continued demand pressures.

Currently an overspend of £578k is anticipated after allowing for management action in relation to planned savings. This compares to £545k reported for September 2018.

While this is a relatively small increase in the current year, the impact on the full year effect is more significant, increasing from an overspend of £1,007k in September 2018 to the current overspend position of £1,322k (both net of management action).

There are many reasons for both the overall overspend and the increase since the last report but the single largest factor is the high number of new and increased care packages over and above those included in the budget / previous forecast. This has in part been mitigated by other factors, including the achievement of savings and the removal of assumptions and / or delay in some previously assumed new / increased packages.

Progress on achieving planned savings is being monitored closely as this is a key element in managing the budget position. The dedicated 'invest to save' team tasked with delivering the savings ceased at the end of September. However there is a number of savings where delivery is still anticipated and the associated 'tail-end' work is embedded within the core care management team. This current set of projections assumes that further savings of Cr £19k will be achieved this year (Cr £220k in a full year). If these savings aren't achieved, the impact in a full year would be significant and would give rise to budget pressures in 2019/20.

There is a projected overspend on LD Care Management of £59k. This has arisen mainly from the use of agency staff and additional staff brought in to undertake review work.

3. Mental Health - Dr £142k

Similar to Learning Disabilities above, the 2018/19 Mental Health budget included funding for the full year effect of the 2017/18 overspend based on the position at the time the budget was prepared. This included an assumed level of savings from management action.

An overspend of £142k is currently anticipated in 2018/19 which is a reduction from the previously reported figure of £160k. The full year effect has reduced from an overspend of £323k to £161k which is a significantly improved position.

The reduction is partly due to increased "move through" the system which is more in line with the expected trend for Mental Health placements. While new care packages continue to be agreed, there is also evidence of clients moving on, either to independent living or with less intensive care packages.

In addition, one high cost client was previously misclassified with Mental Health as their primary support reason. This has now been adjusted and this has also contributed to the reduction in overspend on Mental Health (although the change will be cost neutral across the whole of Adult Social Care).

Budget pressures relating to the Emergency Duty Team have partly offset the reduced projected spend on care packages.

4. IBCF - Nil

Additional budget from the IBCF (£500k) had been drawn down in the previous monitoring report to offset in-year costs in adult social care but this is being returned to the contingency this cycle as a result of the Winter Pressures Grant allocation (see note 6).

5. Better Care Fund - Protection of Social Care - Cr £519k

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 £519k in 2018/19 and this has been used to offset other budget pressures within social care in line with the intentions of the funding.

6. Winter Pressures Grant - Cr £1,190k

In October 2018 the Department of Health and Social Care announced the allocation of Winter Pressures Grant funding to local authorities. The grant must be used in addition to planned spending and to support the local health and social care system to manage demand pressures on the NHS between November 2018 and March 2019 and help promote people's independence. Bromley's grant allocation is £1,190,460.

7. Programmes Division - Cr £9k

Programmes Team - Cr £9k

An underspend of £9k is currently anticipated on Programmes Team budgets and this relates principally to staffing budgets and contracts. There has been a high level of staff turnover and interim staff. The additional cost associated with interim staff has been offset by other posts remaining vacant.

Information and Early Intervention - Dr & Cr £173k

This budget area encompasses any adult social care-related service or support for which there is no test of eligibility and no requirement for review. It includes: information and advice, screening and signposting, prevention and low-level support, and independent advocacy.

An underspend of £173k is anticipated across the whole service. The main element of this is reduced expenditure funded by the Primary and Secondary Intervention Services Innovation Fund. The underspend on the Fund is shared with Bromley CCG and the Better Care Fund and the element reported here is the net amount for LB Bromley. There are savings in other areas, principally due to minor inflationary savings across a number of contracts and lower than anticipated volumes on the new single advocacy contract. This contract is still relatively new and projected spend may fluctuate until a volume pattern becomes clearer.

The whole Information and Early Intervention Service is one of a range of services protected by the Better Care Fund and, as such, the underspend on this service has been used to offset other pressures within adult social care in line with the intentions of the funding. This is reflected in note 5 above.

Better Care Fund - nil variation

Other than variations on the protection of social care element, any underspends on Better Care Fund budgets will be carried forward for spending in future years under the pooled budget arrangement with Bromley CCG.

Improved Better Care Fund - nil variation

The Improved Better Care Fund allocation for 2018/19 is £5.376m. Of this, £873k is held 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.

Spend is underway on a number of schemes but some funding remains unallocated. As outlined in the report to the Executive on 10th October 2017, underspends can be carried forward to support expenditure in future years. In order to balance adult social care growth pressures in 2019/20 a carry forward of £1.566m IBCF funding has been assumed in the 2019/20 budget. In addition there will be further IBCF carry forwards, partly as a result of the initial allocations in 2017/18 being agreed relatively late in the financial year.

8. Strategy, Performance & Engagement Division - Cr £11k

An underspend of £11k is anticipated on the Strategy, Performance & Engagement Division. This principally relates to underspends on staffing and central departmental running expenses budgets, as well as higher than budgeted income from schools.

9. Non-Controllable - Rent - Cr £31k

There is an £31k 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, 6 waivers for Adult placements have been agreed for between £50k and £100k and 1 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 2 virements: 1) contributions from ECHS divisions to create a Customer Relations Officer as part of the Strategy, Performance and Engagement restructure (£21k) 2) Virement of budgets in relation to agreed changes to the Liberata contract for the provision of Payments and Income services to ECHS. 3) Virement to CSC relating from the Prorammes and Strategy Divisions to offset pressures in CSC of £250k

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 397	128	1	152	130
418	Schools and Early Years Commissioning & QA	524	524	488	Cr 36	2	21	0
5,583	SEN and Inclusion	5,820	6,515	6,393	Cr 122	3	Cr 116	0
95	Strategic Place Planning	96	96	96	0		0	0
6	Workforce Development & Governor Services	5	5	Cr 39	Cr 44	4	Cr 54	0
Cr 167	Education Services Grant	0	0	0	0		0	0
185	Access & Inclusion	165	158	185	27	5	31	0
Cr 1,312	Schools Budgets	Cr 1,348	Cr 1,348	Cr 1,348	0	6	0	0
102	Other Strategic Functions	1,038	334	327	Cr 7		0	0
4,550		5,775	5,759	5,705	Cr 54		34	130
Children's Social Care								
1,248	Bromley Youth Support Programme	1,479	1,475	1,463	Cr 12	7	57	0
686	Early Intervention and Family Support	1,093	1,067	946	Cr 121		Cr 90	0
4,912	CLA and Care Leavers	5,066	5,471	5,493	22		Cr 84	Cr 153
13,592	Fostering, Adoption and Resources	13,638	14,126	18,376	4,250		3,085	5,115
0	Management action - Additional CCG Income	0	0	Cr 800	Cr 800		Cr 500	Cr 500
2,833	Referral and Assessment Service	2,909	3,462	3,283	Cr 179		Cr 182	Cr 179
2,176	Safeguarding and Care Planning East	2,159	3,019	2,768	Cr 251		Cr 229	Cr 82
3,874	Safeguarding and Care Planning West	3,810	4,313	4,266	Cr 47	13	0	
4,290	Safeguarding and Quality Improvement	4,260	1,740	1,929	189	126	939	
	Planned savings from management action	0	0	0	0	Cr 200	Cr 1,339	
33,611		34,414	34,673	37,724	3,051		1,996	3,801
38,161	TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN & FAMILIES	40,189	40,432	43,429	2,997		2,030	3,931
3,257	Total Non-Controllable	2,006	2,088	2,073	Cr 15			0
7,309	Total Excluded Recharges	8,126	8,118	8,118	0		0	0
48,727	TOTAL EDUCATION, CHILDREN & FAMILIES PORTFOLIO	50,321	50,638	53,620	2,982		2,030	3,931
Memorandum Item								
Sold Services								
29	Education Psychology Service (RSG Funded)	Cr 107	Cr 107	Cr 75	32	8		0
7	Education Welfare Service (RSG Funded)	Cr 32	Cr 32	10	42		0	
3	Workforce Development (DSG/RSG Funded)	Cr 4	Cr 4	Cr 50	Cr 46		0	
43	Community Vision Nursery (RSG Funded)	49	49	81	32		0	
75	Blenheim Nursery (RSG Funded)	76	76	101	25		0	
157	Total Sold Services	Cr 18	Cr 18	67	85		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2018/19

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:

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

Other:

Fire Risk Assessment and Cyclical Maintenance		82
Customer Relations Officer post	Cr	8
Strategic and Business Support Services restructure	Cr	7
Education Psychologist Recharge		0
Virement from Programmes and Strategy Divisions to Childrens Social Care		250
Latest Approved Budget for 2018/19		<u>50,638</u>

REASONS FOR VARIATIONS

1. Adult Education - Dr £128k

The Adult Education service is currently projecting to overspend by £128k. The main pressure areas for the service is £161k for staffing costs to provide required courses and preparation for the OFSTED inspection. There is also an under collection of income of £30k as compared to the baseline budget.

There is an underspend on the running costs (£63k) that is offsetting the on-going pressures.

2. Schools and Early Years Commissioning & QA - Cr £36k

The in-house nurseries now have the restructured staffing structure in place. This financial year will 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 £13k for the year.

These cost pressures are being offset by the current staffing underspends of £20k that are mainly due to vacant posts.

There also is an underspend on running costs of £29k.

3. SEN and Inclusion - Cr £122k

The staffing in this area is currently forecasting an underspend by £53k. 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 £40k and the Trading Service they offer to the Schools to be overspent by £30k due to the use of expensive agency staff used to provide the service. This is a net underspend of £10k.

SEN Transport is currently forecast to underspend by £59k due to additional collection of income from other LA's. This figure may change during the year as route rationalisation occurs.

4. Workforce Development & Governor Services - Cr £44k

The projected underspend is due to a detailed review of the service that has identified a number of running costs that are not going to be used during this financial year.

5. Access & Inclusion - Dr £27k

The Education Welfare Service Trading Account is currently expected to under collect on it's income by £39k due to the loss of a number of school contracts. The provision of the service will need to be reviewed.

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

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

6. 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 underspend in DSG of £281k. This will be added to the £1,180k carried forward from 2017/18. The carry forward figure has been adjusted by the Early Year adjustment which has reduced the amount we received in 2017/18 by £166k. This gives us an estimated DSG balance of £1,295k at the end of the financial year. This includes the additional £788k extra funding that Government announced on the 17th December 2018 for the High Needs Block. It has been agreed that £212k of this funding will be utilised in 2019/20 to cover High Needs Block costs. This will in effect come from the £1,295k that is estimated to be carried forward into 2019/20. Without the £788k funding LBB would only be carrying forward £507k into 2019/20

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

Bulge class are currently expected to underspend by £128k for this financial year. Additionally we are currently expecting to spend £225k on modular classroom rentals during the year. Both of these figures may change once the requirements for the new academic year have been established from the October school census.

Free Early Years Education is currently forecast to underspend this financial year. Any over or underspend on this area will only have a marginal effect on the DSG variances as DfE calculate our final allocation (released in July) based on the Early Years annual census that is performed every January. The returns from the nurseries are checked by members of the Early Years team before passing the figures to DfE in March. DfE then review the figures before publish our final allocations, where they will make any adjustments to our prior year allocation. It is expected that the currently underspend will produce a clawback of funds in July at approximately the same level as the current forecast underspend. The clawback cannot be estimated until the Early Years census data is submitted to DfE in March.

There is an underspend of £38k 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.

There is a pressure of £6k on the DSG due to the increase in a rate bills in a maintained school. This was not factored into the original funding.

The Home and Hospital service has a pressure of £94k due to the splitting out of the Nightingale school from the service. The Home and Hospital service is in the process of being reviewed.

There is an underspend of £135k 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.

The Behaviour Support service is currently expected to overspend by £70k based on expected costs for the year.

The Education Welfare service is currently forecasting an overspend of £36k due to higher staffing costs than expected

Due to a late adjustment of the recoupment at one of the schools in Bromley, there is any additional £83k worth of recoupment that the Council had not budgeted for and is therefore causing a pressure on the DSG.

It was agreed at the start of the year to use £188k of the brought forward balance to support the Central Schools Services Block in-year. There are also two Recoupment adjustments that have been identified during the year that will also effect the Brought Forward amount by a credit of £57k. This gives an overall Use of the Reserve of £131k for the year.

There has been a number of in year DSG adjustments that have not yet been factored in to the budget figures. This changes come to a total of £98k and all impact on the High Needs Block.

In December 2018 the Government announced that they would be giving extra money to support the council's High Needs DSG Block due to the pressures on the High Needs Block nationwide. This grant is being retained to cover expenditure in both this year and future years.

SEN placements are projected to overspend by a total of £500k. The overspend is being caused by the Maintained Day (£339k), Independent Day (£655k) and Alternative Programmes (£286k). These overspends are then offset by underspends on Independent Boarding Schools (£131k), Maintained Boarding Schools (£338k) and Matrix funding (£114k). Additional, there is currently forecast to be an underspend on schools ARP's of £197k.

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 Bromley schools.

SEN Support for clients in Further Education Colleges is expected to underspend by £366k this year. This is due to the cost of placing clients with Independent providers and having more in borough placements.

The DSG funded element of SEN Transport is projected to overspend by £121k 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 SIPS, Early Support Programme 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 all of these underspends is a £117k. These are then being offset by the overspend in the Hearing Units and the Complex Needs team (totalling £63k) to give a net underspend of £54k.

There is also a total small balance of overspends of £4k.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Bulge Classes	-128	0	-128	0	0
Classroom Hire	225	0	225	0	0
Primary Support Team	-38	0	0	0	-38
School Rates	6	0	6	0	0
Home & Hospital	94	94	0	0	0
Pupil Support Services	-135	-135	0	0	0
Behaviour Support	-70	-70	0	0	0
Education Welfare Officers	36	0	0	0	36
Late Adjustment to DSG Recoupment	83	0	83	0	0
Use of Reserves	131	0	-57	0	188
In Year DSG Adjustments	98	98	0	0	0
Additional High Needs Block Allocation	-788	-788	0	0	0
Other Small Balances	4	-7	0	-1	12
SEN:					
- Placements	500	500	0	0	0
- Support in FE colleges	-366	-366	0	0	0
- Transport	121	121	0	0	0
- SIPS	-27	0	0	-27	0
- Darrick Wood Hearing Unit	44	44	0	0	0
- Complex Needs Team	19	19	0	0	0
- Outreach & Inclusion Service	-77	-77	0	0	0
- Early Support Programme	-13	-13	0	0	0
Total	-281	-580	129	-28	198

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 was put forward to DfE for 2019/20 and this was rejected and therefore additional Council resources have been added to close the shortfall. From 2020/21 it is expected that this will no longer be available as the 'hard formula' National Funding formula kicks in and funding blocks are even more rigidly fixed.

7. Children's Social Care - Dr £3.051k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £3,051k, a significant increase from the overspend reported for September, which was £1,996k. Despite additional funding being secured in the 2018/19 budget, continued 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 met to discuss ways to mitigate this, and management action of £200k was agreed last cycle. This has now been removed as it is unlikely that these savings will be achieved by the end of the financial year.

Bromley Youth Support Programme -Cr £12k

The BYSP budget is projected to underspend by £12k this year, analysed as follows:

- Youth Service - Cr £38k

Staffing is projected to be underspent by £31k, premises costs £18k and transport costs by £9k and contributions to other local authorities by £41k. This is offset by projected overspends on supplies and services of £26k and income of £35k.

- Business Partnership's - Dr £46k

Staffing is projected to be underspent by £65k and supplies & services and transport by £34k. This is offset by a projected underachievement of income from schools of £86k and contributions from other departments of £44k and other income of £15k.

- Youth Offending Team - Cr £20k

Staffing is projected to be underspent by £50k this is offset by a projected overspend of £16k on premises & transport costs and £14k on the Appropriate Adult scheme

Early Intervention & Family Support - Cr £121k

There is a projected net underspend in this area due to salaries (Cr £24k), premises improvement costs (Cr £50k), cleaning (Dr £13k), telephones (Cr £7k), services commissioning costs (Cr £33k) and income (Cr £20k)

CLA and Care Leavers - Dr £22k

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 £121k is currently projected.

Offsetting this is a projected underspend on direct accommodation support to looked after children (net of housing benefit) of £99k.

Fostering, Adoption and Resources - £3,450k

The budget for children's placements is currently projected to overspend by £3,450k this year, a significant increase from the position reported in September. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £1,705k

- Boarding Schools - Dr £144k

- Secure Accommodation & Youth on Remand - Dr £85k

- Fostering services (IFA's) - Dr £1,272k

- Fostering services (In-house, including SGO's and Kinship) - Dr £417k

- Adoption placements - Dr £200k

- Outreach Services - Dr £482k

- Transport Costs - Cr £55k

Included in the variations above, Bromley CCG have allocated funding of £500k as a contribution towards the continuing care costs of placements. An additional amount of funding of £800k has also been sought from the CCG as a contribution to these placements this has been agreed for 2018/19. Should this latter amount not be agreed in future then this will have an impact on the budget

Referral and Assessment Service - Cr £179k

The main projected variance relates to services to people with No Recourse to Public Funds (NRPF), which is currently projecting an underspend of £179k. This budget had been increased in the past as numbers had risen significantly, however currently numbers are much lower, resulting in this underspend.

Safeguarding and Care Planning East - Cr £251k

The budget for care proceedings is currently projected to underspend by £251k, particularly in the area of community and residential parenting assessments.

Safeguarding and Care Planning West- Cr £47k

Services for Children with Disabilities is projected to overspend by £65k this year. This is made up of an overspend of £248k in relation to Direct Payments and Care Initiatives, offset by an underspend of £28k on transport and £155k on group based short breaks.

A change in the provision of the short/respite breaks service at Hollybank has also realised an ongoing saving of £112k.

Safeguarding and Quality Improvement - Dr £189k

The projected variation of £189k overspend in this area relates solely to staffing.

Management Action

Officers have discussed ways to mitigate this overspend and had agreed on management action plans totalling £480k at May budget monitoring. This was revised to £200k in September for the remainder of the year as there had been limited success to date. The latest position is that it is not expected that any further savings can be achieved this year, therefore the remainder of the savings have been removed.

8. Sold Services (net budgets)

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

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be 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 with an annual value of less than £30k. In Children's Social Care there were 4 waivers agreed for placements of between £50k and £100k and 7 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 2 virements 1) a virement has been actioned in Education for £35k and relates to the correction of the budget for a contract and 2) contributions from ECHS divisions to create a Customer Relations Officer as part of the Strategy, Performance and Engagement restructure for £8k. 3) Virement to CSC relating from the Programmes and Strategy Divisions to offset pressures in CSC of £250k

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 & COMMUNITY PORTFOLIO							
	Street Scene & Green Spaces							
5,071	Parks and Green Spaces	5,231	5,360	5,343	Cr 17	1	Cr 2	0
243	Street Regulation and Enforcement incl markets	352	352	358	6		10	0
16,930	Waste Services	18,120	17,751	17,420	Cr 331	2	Cr 78	0
4,103	Street Environment	4,414	4,414	4,314	Cr 100	3	0	0
907	Management and Contract Support	1,085	1,245	1,174	Cr 71	4	Cr 38	0
801	Trees	749	749	749	0		0	0
28,055		29,951	29,871	29,358	Cr 513		Cr 108	0
	Transport Operations and Depot							
706	Transport Operations and Depot Management	701	526	526	0		0	0
706		701	526	526	0		0	0
	Transport & Highways							
286	Traffic & Road Safety	324	324	219	Cr 105	5	8	0
Cr 7,893	Parking	Cr 7,119	Cr 7,419	Cr 7,365	54	6 - 11	0	0
6,589	Highways (including London Permit Scheme)	6,689	6,520	6,395	Cr 125	12	Cr 41	0
Cr 1,018		Cr 106	Cr 575	Cr 751	Cr 176		Cr 33	0
27,743	TOTAL CONTROLLABLE	30,546	29,822	29,133	Cr 689		Cr 141	0
6,601	TOTAL NON-CONTROLLABLE	6,195	6,240	6,254	14	13	27	0
2,323	TOTAL EXCLUDED RECHARGES	2,540	2,460	2,460	0		0	0
36,667	PORTFOLIO TOTAL	39,281	38,522	37,847	Cr 675		Cr 114	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	490
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
Additional Income & Saving opportunity (AMEY)	Cr	181

Other

Inflation adjustment		56
R&M - Fire Risk Assessments & Cyclical Maintenance		45

Latest Approved Budget for 2018/19

38,522

REASONS FOR VARIATIONS

1. Parks and Green Spaces Cr £17k

Overall a net underspend of £17k is projected for Parks and Green Spaces mainly due to additional income from floral bedding sponsorship from 2017/18.

2. Waste Services Cr £331k

Overall tonnage is expected to be 168 tonnes below current budget, and 1,480 less than last year, mainly for household tonnage. As a result, contract disposal costs will be £39k below budget.

Additional income of £29k is expected from the sale of recycling materials due to an increase in the market price of textiles and iron.

Across the garden waste collection services, there is a projected underspend of £238k. This is made up of additional income of £110k due to an increase in the number of customers, and an underspend of £150k as the current number of existing customers have not reached the indicative threshold for rerouting of crew schedules for the sixth vehicle. This is partly offset by £22k overspend for the purchase of extra containers.

Based on the tonnage received over the weighbridge from trade customers during April to December, there is a projected reduction in income of £79k from trade waste delivered.

Within trade waste collection there is a net projected shortfall of income of £78k mainly due to a higher customer dropout compared to the level expected.

There is a net underspend of £38k on the refuse collection contract, mainly due to a lower volume than expected on the variable elements including collection of bulk containers and emptying of recycling banks. This has partly offset the £30k cost for purchasing additional trade waste, domestic and recycling containers.

Following agreement of the 2017/18 and the April - September 2018 level of defaults, a total credit of £66k has been received.

Part year vacancies have resulted in an underspend of £34k.

Additional works valued at £90k have needed to be carried out during the mobilisation of the new Environment contract including upgrades on Confirm, the weighbridge system and relocating various teams within the depot.

Other minor variances across the service total Cr £44k.

A request is being made to the Executive to carry forward the £120k set aside for developing a direct debit system for the GW service during next year. Due to the mobilisation of the Environmental contracts, the direct debit system has been delayed and the work required to enable direct debit payments to be taken for the GW service will not start until April 2019.

Summary of overall variations within Waste Services

	£'000
Waste disposal costs	Cr 39
Additional income from sale of recycling materials	Cr 29
Green Garden waste service	Cr 238
Shortfall in trade waste delivered income	79
Trade waste collected income	78
Underspend on refuse collection contract	Cr 38
Purchase of waste containers	30
Defaults received for the waste contract	Cr 66
Underspend on Staffing	Cr 34
Mobilisation of the Environment contract	90
Other minor variances	Cr 44
C/forward of underspend re. green garden waste system to accept direct debit payments	Cr 120
Total variation for Waste Services	<u>Cr 331</u>

3. Street Environment Cr £100k

Overall the Street Environment budget is expected to underspend by £100k. A £100k underspend on gully cleansing and soakaway is due to the dry summer and a lower volume of cyclical cleansing than expected, and a reduction in the level of reactive graffiti removal has resulted in an underspend of £50k. This is partly offset by additional works of £50k spent on drainage and infrastructural work.

4. Management and Contract Support Cr £71k

The Management and Contract Support budget is expected to underspend by £71k due to part year vacancies. A request will be made to Executive to carry forward £40k of the underspend on staffing to 2019/20 for additional administrative support during the mobilisation on the new Environment contract.

5. Traffic & Road Safety Cr £105k

This variation is due to additional income received from road closure charges, mainly due to a spike in the number of applications from utilities companies to carry out infrastructure works.

Parking

6. Income from Bus Lane Contraventions Cr £234k

There is a net projected surplus of £204k on the deployable automated cameras in bus lanes for 2018/19 based on the number of contraventions to 31st December 2018. There is also an additional £30k income received from PCNs issued in previous years.

7. Off/On Street Car Parking Dr £162k

Overall there is a net variation of Dr £162k for Off and On Street parking.

A deficit of £220k is forecast for Off & On Street Parking income. This is mainly due to a continued downward trend in parking usage, in particular for the on street bays & multi-storey car parks. This deficit includes the delay with the roll out of additional On Street Parking bays.

Additional income of £28k is expected to be received from cashless parking fees, as the use of this service continues to grow.

During the period April to December 2018, £7k defaults was applied to the contract relating to the management of On & Off Street Parking.

£18k additional income is projected from the suspensions of existing parking restrictions. Other minor variations total to Cr £5k.

This 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	72	148	220
Less additional Ring Go fees	Cr 9	Cr 19	Cr 28
Level of Defaults applied to contract Apr to Dec 18	Cr 5	Cr 2	Cr 7
Bay Suspensions		Cr 18	Cr 18
Other minor variations	Cr 7	2	Cr 5
Total variations within Off/On Street Parking	51	111	162

8. Permit Parking Cr £37k

A surplus of £37k is forecast for permit parking income based on activity levels up to December 2018.

9. Disabled Parking Cr £6k

A minor variation is projected for Disabled Permits totalling Cr £6k.

10. Car Parking Enforcement Dr £273k

From the activity levels to December 2018, there is a projected net deficit of around £435k from PCNs issued by APCOA in the current year. This is mainly due to a reduction in contraventions, issues related to the deployment plan and policy changes to the shared use bays in zone A of Bromley Town Centre as well as a growing number of ad hoc enforcement requests from residents using the online form.

Defaults applied to the Enforcement contract totals Cr £88k, which partly offsets the income variation, £40k of which relates to defaults for 2017/18.

There are also underspends for credit card commissioning costs (Cr £18k), electronic appeals costs payable to the Traffic Committee (Cr £22k) and debt collection costs (Cr £14k), as a direct result of the reduction of contraventions .

Additional income of £20k has been received from PCNs issued in previous years.

Summary of variations within Car Parking Enforcement	£'000
PCNs issued by wardens	435
APCOA Enforcement defaults	Cr 88
Credit card commission	Cr 18
Electronic appeals cost	Cr 22
Debt collection costs	Cr 14
Additional income from PCNs issued in previous years	Cr 20
Total variations within Car Parking Enforcement	273

11. Parking Shared Service Cr £104k

Part year vacancies have resulted in an underspend of £104k.

Summary of overall variations within Parking:

	£'000
Bus Routes Enforcement	Cr 234
Off Street Car Parking	51
On Street Car Parking	111
Permit Parking	Cr 37
Disabled Parking	Cr 6
Car Parking Enforcement	273
Parking Shared Services	Cr 104
Total variation for Parking	<u>54</u>

12. Highways- Including London Permit Scheme Cr £125k

Within NRSWA income, there is a projected £63k surplus of income, mainly due to an increase in the number Section 74 Notices.

As a result of successful debt recovery processes, £30k of bad debt provision that was previously set aside can be released at year end.

Car allowances are expected to be £10k below budget and other minor variations across the service total Cr 22k.

Summary of Variations within Highways

	£'000
Surplus NRSWA Income	Cr 63
Release of bad debt provision	Cr 30
Car allowances	Cr 10
Other minor variations	Cr 22
Total variations within Highways:	<u>Cr 125</u>

13. Non-controllable Dr £14k

There is a projected shortfall in income of £14k 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, the following waivers over £50k have been actioned.

1) £60k to undertake one-off seasonal service for the gritter fleet on Highway service in April 2019 to October 2019.

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
138	Public Protection Community Safety	151	151	139	Cr 12	1	Cr 12	0
96	Emergency Planning	115	120	93	Cr 27	2	Cr 16	0
447	Mortuary & Coroners Service	485	485	535	50	3	54	0
1,265	Public Protection	1,673	1,722	1,492	Cr 230	4	Cr 144	0
1,946	TOTAL CONTROLLABLE	2,424	2,478	2,259	Cr 219		Cr 118	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	2,917	2,698	Cr 219		Cr 118	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

Other

Transfer of Health & Safety post to HR	Cr	13
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Latest Approved Budget for 2018/19

2,917

REASONS FOR VARIATIONS

1. Community Safety Cr £12k

There are minor underspend of £12k on supplies and services across the community safety budgets.

2. Emergency Planning Cr £27k

Within the Emergency Planning service, there is a £27k underspend mainly due to part year vacancies.

3. Mortuary and Coroners Service Dr £50k

At the end of 2017/18 a provision was made for the outstanding quarter 4 payment for the Coroners service, based on information provided by LB Croydon who administer the Consortium service. The actual cost for quarter 4 was £104k, resulting in a balance of £55k of the provision which is no longer required.

Based on the latest information from Croydon, the cost for Bromley for 2018/19 is £445k, an overspend of £23k against a budget of £395k. This is mainly due to additional security costs and I.T. upgrades. Officers anticipate a further overspend of £82k due to a number of large inquests. This includes the additional counsel and legal costs for the Butler case as well as other

The existing Mortuary contract has been extended to September 2019, whilst officers continue to negotiate a new Mortuary contract. Until the new contract has been agreed with the provider, the full year effect cost cannot be calculated.

Summary of variations on Mortuary and Coroners Service	£'000
Release of provision no longer required on Coroners	Cr 55
Overspend on Coroners Service (incl. large inquests)	105
Total variations on Mortuary and Coroners Service	<u>50</u>

4. Public Protection Cr £230k

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. Delays with recruiting the final temporary food safety officer has resulted in a further underspend of £72k. In total, £139k will need to be carried forward to 2019/20 and 2020/21 to enable the temporary posts to be funded for the remaining agreed term.

Across Public Protection, there is £19k underspend on car allowance and lease car budgets, which offsets the £18k additional cost for Food Safety 'Pay as you go' inspections.

£18k has been spent on an additional training course on Advanced Certificate in Investigative Practice (ACIP) to ensure that all investigations are of a consistently high standard.

During closing of the accounts for 2017/18, a provision was made for the potential VAT liabilities for Works in default. As some of the cases that relate to a statutory notice are non Vatable, £25k of the provision is no longer required.

There is £10k underspend on the animal health and inspection service provided by City of London.

It is anticipated that there will be additional licensing income of £42k mainly from the Food Hygiene re-rating scheme and Houses in Multiple Occupation.

£48k of both income and expenditure budget was carried forward from the 2017/18 Proceeds of Crime Act prosecution (Asset Recovery Incentivisation Scheme) for works that were planned to be undertaken by Trading Standards on behalf of the Planning section in the current financial year. £28k of the works that were undertaken during 2018/19 were funded from underspends elsewhere in the service, enabling the funding to be carried forward for another year. Therefore £48k of both income and expenditure budget will need to be carried forward again into 2019/20 when the works will now take place.

Other various minor underspends across supplies and services total £31k.

Summary of variations on Public Protection	£'000
Underspend on fixed term Food Safety officers and interim PP&E AD to be c/f	Cr 139
Underspend on lease car and car allowance	Cr 19
Food Safety 'Pay as you go' inspections	18
Additional staff training costs	18
Release of provision no longer required on VAT liabilities	Cr 25
Underspend on Animal Health & inspection service	Cr 10
Surplus of income licenses	Cr 42
Other minor variations	Cr 31
Total variations on Public Protection	<u>Cr 230</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, no waivers over £50k 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	Cr 1	Cr 83	1	Cr 83	0
Cr 140	Land Charges	Cr 126	Cr 126	Cr 127	Cr 1	2	Cr 3	0
764	Planning	736	711	873	162	3	126	0
850	Renewal	801	956	730	Cr 226	4	Cr 56	0
1,467		1,493	1,623	1,475	Cr 148		Cr 16	0
Recreation								
1,686	Culture	1,786	1,832	1,842	10	5	46	0
5,784	Libraries	5,030	4,916	4,903	Cr 13	6	Cr 10	0
219	Town Centre Management & Business Support	189	181	173	Cr 8	7	Cr 23	0
7,689		7,005	6,929	6,918	Cr 11		13	0
ECS - Housing								
194	Housing Improvement	203	203	186	Cr 17	8	Cr 12	0
194		203	203	186	Cr 17		Cr 12	0
9,350	Total Controllable ECS DEPT	8,701	8,755	8,579	Cr 176		Cr 15	0
Cr 814	TOTAL NON CONTROLLABLE	2,542	2,521	2,528	7	9	2	0
2,466	TOTAL EXCLUDED RECHARGES	1,857	1,857	1,857	0		0	0
11,002	Total ECS DEPARTMENT	13,100	13,133	12,964	Cr 169		Cr 13	0
EDUCATION, CARE & HEALTH SERVICES DEPARTMENT								
Operational Housing								
913	Supporting People	1,013	1,013	939	Cr 74	10	Cr 74	Cr 94
8,074	Housing Needs	6,241	8,725	8,758	33	11	38	521
0	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 1,838	Housing Benefits	Cr 1,984	Cr 1,984	Cr 1,703	281	12	0	0
7,149	Total Controllable ECHS DEPT	5,269	7,753	7,993	240		Cr 36	427
789	TOTAL NON CONTROLLABLE	286	286	286	0		0	0
3,209	TOTAL EXCLUDED RECHARGES	3,675	3,673	3,673	0		0	0
11,147	Total ECHS DEPARTMENT	9,230	11,712	11,952	240		Cr 36	427
22,149	PORTFOLIO TOTAL	22,330	24,845	24,916	71		Cr 49	427

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

Additional Income & Saving opportunity (AMEY)

Cr 110

Increase in Cost of Homelessness/Impact of Welfare Reforms

1,739

Homelessness Reduction Act

750

Other

R&M - Fire Risk Assessments & Cyclical Maintenance

Cr 21

Customer Relations Officer post

Cr 4

Strategic and Business Support Services restructure

Cr 3

Latest Approved Budget for 2018/19

24,845

REASONS FOR VARIATIONS

1. Building Control Cr £83k

For the chargeable service, an income deficit of £168k is projected based on actual income for April to December 2018. This is mostly offset by a projected underspend within the staffing budget of £150k mainly arising from reduced hours working / vacancies. Other minor net overspends total £16k. In accordance with Building Account Regulations, the net deficit of around £34k will be drawn down from the earmarked reserve for the Building Control Charging Account. The net balance will therefore reduce from Cr £203k to Cr £169k.

As a result of part vacant posts and reduced hours, a net underspend of £83k is projected for the non-chargeable service.

2. Land Charges Cr £1k

A deficit of £36k is expected for income within the Charging Account which is partly offset by an underspend of £12k on staffing and running expenses, resulting in a net deficit of £24k projected for 2018/19. If the income continues to drop, officers will have to consider increasing the charges. In accordance with current Regulations, any deficit or surplus will be drawn down from the earmarked reserve for the Land Charges Charging Account (the net balance will therefore increase from Dr £10k deficit to Dr £34k).

There is a projected underspend of £1k on the non-chargeable salary budget.

3. Planning Dr £162k

There is a net £68k underspend on staffing due to part year vacancies.

Income from non-major planning applications is below budget for the first nine months of the year, and a shortfall of around £152k is projected for 2018/19 against a budget of £1,225k. For information, actual income of £768k was received for April to December 2018 compared with £777k in 2017/18.

Additional income of £97k is projected from major planning applications. For information, £397k has been received as at December 17 against a budget of £300k, which is £172k higher than for the same period in 2017/18. As the timing of this income varies, at this stage no further income is projected for the remaining 3 months as planning officers are not expecting any further major applications to come in.

Currently there is a projected income deficit of £35k from pre-application meetings. This is due to a combination of reduced fees and a reduction in the number of schemes submitted. During the period April to December 2018, the number of major pre-application submitted has dropped from 38 to 31 compared with the previous year.

There is a net overspend of £137k for the cost of consultancy work required for planning appeals, mainly relating to developments at Westmoreland Road, St Hugh's Playing field, Bullers Wood School and Maybrey. This included advice from agricultural, ecological, minerals and waste consultants, where there was no in-house expertise with the necessary knowledge and qualifications. If the judgements are found in favour of the Council, then some of the costs incurred for these appeals may be recovered.

Other minor variations total Dr £3k.

Summary of variations within Planning:

	£'000
Underspend on Staffing	Cr 68
Shortfall income from non-major applications	152
Surplus income from major applications	Cr 97
Deficit of income from pre-application meetings	35
Consultancy cost on major appeals	137
Other minor variations	3
Total variation for Planning	<u>162</u>

4. Renewal Cr £226k

Overall there is a net variation of Cr £226k projected for Renewal. This is mainly due to an underspend of £196k on staffing as a result of part year vacancies, which is being used to offset a potential £50k cost expected for consultancy and legal fees for public enquires, following the submission of the London Plan.

Town Centre Development Works funded by the New Homes Bonus is likely to underspend by £80k and therefore a carry forward request is being made to the Executive, to enable the outstanding works to be completed in 2019/20. Formal GLA approval will also need to be obtained to agree the new profile of spend.

Summary of variations within Renewal:

	£'000
Staff vacancies	Cr 196
Consultancy and legal fees for public enquires	50
Underspend on projects funded by NHB (carry forward request)	Cr 80
Total variation for Renewal	<u>Cr 226</u>

5. Culture Dr £10k

Staffing is expected to underspend by £29k mainly due to part year vacancies. In line with the December 2017 RPIX, 4.2% inflation was applied to the MyTime contract price, 2.2% higher than the 2% inflation built into the 2018/19 budget. This has resulted in a projected overspend of £18k.

£18k has been spent on survey & valuation works relating to the Leisure service lease proposal with Mytime Active and there are other minor net overspends of £3k.

Summary of variations within Culture:	£'000
Staff vacancies	Cr 29
Inflation on Mytime contract	18
Survey & valuation works relating to Leisure service lease proposal	18
Other minor net overspends	3
Total variation for Culture	10

6. Libraries Cr £13k

There is a £45k underspend on staffing mainly due to flexible retirement / reduced hours. This is partly offset by £32k overspend across supplies and services budgets as a result of final payments made relating to serving the notice period on terminating the internet and phone lines.

7. Town Centre Management & Business Support Cr £8k

The underspend of £8k mainly relates to a part year staff vacancy within the Town Centre Management team.

8. Housing Improvement Cr £17k

Part year vacancies have resulted in an underspend of £32k. This is partly offset by £10k projected shortfall within renovation grant agency fee income and other minor variations totalling Dr £5k.

9. Non-controllable Dr £7k

There is a projected £7k deficit of income within the property rental income budget. Property division are accountable for these variations.

10. Supporting People Cr £74k

A £74k underspend is currently forecast in the Supporting People area due to contract negotiation savings.

11. Housing Needs Dr £33k

There is currently an overspend of £1,472k in the Temporary Accommodation area. This is due to higher than expected increase in clients going into nightly paid accommodation together with an increase in the provision for bad debts for rent account income that will not be collected.

In addition, by necessity there has been an increased use of non-self-contained accommodation outside of London. Although on the face of it this appears beneficial as the charges are lower, the Housing Benefit subsidy is capped at the 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.

At the start of the year the number of clients in Temporary Accommodation was 896. By the end of December that number had risen to 990 - an increase of 94 during the year. It is currently expected that this will increase to 1,015 by the end of the financial year, at an average cost of around £6,650 per property per annum. In addition the proportion of 2 bed Temporary Accommodation properties that are required has been increasing, from just under 32% in September to now just under 35%.

These client figures exclude other schemes like More Homes Bromley, Orchard & Shipman, ex-residential care homes, and the Bromley Private Sector Leasing Scheme. Once these client numbers have been included there are currently over 1,600 clients in Temporary Accommodation.

In addition to the increased costs of Temporary Accommodation area, there is additional overspends on staffing of £228k (due to change in legislation) and homelessness prevention work and other associated work of £676k that will also be included as part of the drawdown from the contingency, as highlighted in last years drawdown request.

The Travellers budget is overspending by £70k and this is due to one of the sites experiencing high use of utilities and maintenance costs (overspend of £57k) due to the site not having meters and loss of income (£23k) due to rent arrears. This is being offset by a £10k underspend on staffing due to vacancies earlier in the year.

There has been a reduction of income relating to the Choice Based Letting advertising (£24k) due to Housing Associations not requesting to advertise properties on this platform.

The remaining £11k underspend is various staffing and running costs variations. The staffing structure that is required to meet the new housing legislation is being finalised, and the budget for this is included in the contingency drawdown request.

A report elsewhere on the agenda requests the drawdown of a total of £2,489k from the Central Contingency; £1,739k for homelessness and temporary accommodation, and £750k for the impact of the Homeless Reduction Act, and this has been assumed in the budgets, but is grossed up below to illustrate where the pressures are.

	£'000
Summary of overall variations within Housing:	
Temporary Accommodation	940
Increase in Bad Debt Provision	532
Homelessness Prevention	676
Change in Legislation	342
Travellers Sites	70
Furniture Storage	Cr 73
Choice Based Lettings	24
Other Costs	11
Contingency requested for drawdown	Cr 2,489
Total variation for Housing	<u>33</u>

12. Housing Benefits Dr £281k

Following a review of the bad debt provision, it has been identified that the provision (based on current figures) would need to be increased by an estimated £281k at year end to cover the increase in unrecoverable benefit overpayments.

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.

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	214	Cr 2		0	0
6,583	Exchequer - Revenue & Benefits	7,137	6,967	6,758	Cr 209	1	Cr 94	0
1,564	Exchequer - Payments & Income	1,623	1,667	1,651	Cr 16	2	Cr 1	0
623	Financial Accounting	520	520	454	Cr 66	3	Cr 56	0
1,464	Management Accounting	1,666	1,666	1,523	Cr 143	4	Cr 63	0
706	Audit	700	700	697	Cr 3	5	Cr 13	0
11,148	Total Financial Services Division	11,862	11,736	11,297	Cr 439		Cr 227	0
	CORPORATE SERVICES DIVISION							
4,545	Information Systems & Telephony	4,746	5,224	4,894	Cr 330	6	Cr 128	0
	Legal Services & Democracy							
305	Electoral	353	918	936	18	7	0	0
1,355	Democratic Services	1,419	1,439	1,399	Cr 40	8	Cr 23	0
1,960	Legal Services	1,687	1,852	1,933	81	9	140	70
131	Management and Other (Corporate Services)	178	130	131	1		1	0
8,296	Total Corporate Services Division	8,383	9,563	9,293	Cr 270		Cr 10	70
	HR AND CUSTOMER SERVICES DIVISION							
1,828	Human Resources	2,056	2,220	2,083	Cr 137	10	0	0
	Customer Services							
Cr 978	Customer Services Centre	Cr 1,022	Cr 1,022	Cr 1,028	6		Cr 3	0
108	Registration of Births, Deaths & Marriages	72	50	50	0		Cr 3	0
2,698	Total HR & Customer Services Division	3,006	3,192	3,061	Cr 131		0	0
	COMMISSIONING AND PROCUREMENT DIVISION							
670	Procurement and Data Management	663	538	504	Cr 34		20	0
820	Commissioning	893	554	585	31		Cr 20	0
101	Debt Management System	0	0	0	0		0	0
1,591	Total Commissioning & Procurement Division	1,556	1,092	1,089	Cr 3	11	0	0
	CHIEF EXECUTIVE'S DIVISION							
125	Comms	128	128	128	0		1	0
684	Management and Other (C. Exec)	726	671	643	Cr 28		Cr 28	0
148	Mayoral	153	153	150	Cr 3		0	0
957	Total Chief Executive's Division	1,007	952	921	Cr 31	12	Cr 27	0
	CENTRAL ITEMS							
3,047	CDC & Non Distributed Costs (Past Deficit etc.)	3,907	3,907	3,519	Cr 388	13	Cr 248	0
11,197	Concessionary Fares	11,390	11,390	11,390	0		0	0
38,934	TOTAL CONTROLLABLE CE DEPT	41,111	41,832	40,570	Cr 1,262		Cr 512	70
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 15,958	Cr 15,958	0		0	0
20,511	TOTAL CE DEPARTMENT	25,648	26,889	25,627	Cr 1,262		Cr 512	70
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
2,581	Admin Buildings & Facilities Support	2,670	2,432	2,347	Cr 85	10	12	0
123	Investment & Non-Operational Property	299	291	192	Cr 99		Cr 38	0
1,086	Strategic & Operational Property Services	1,122	1,115	1,114	Cr 1		0	0
295	TFM Client Monitoring Team	365	548	528	Cr 20	11	Cr 18	0
Cr 688	Other Rental Income - Other Portfolios	Cr 778	Cr 626	Cr 651	Cr 25	12	9	0
1,978	Repairs & Maintenance (All LBB)	2,008	2,094	2,094	0		0	0
5,375	TOTAL CONTROLLABLE ECS DEPT	5,686	5,854	5,624	Cr 230		Cr 35	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 1,521	Cr 1,521	0		0	0
688	Less: Rent allocated across other Portfolios	778	626	651	25		Cr 9	0
1,084	TOTAL ECS DEPARTMENT	2,013	1,896	1,691	Cr 205		Cr 44	0
21,595	TOTAL RESOURCES PORTFOLIO	27,661	28,785	27,318	Cr 1,467		Cr 556	70

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	Cr	47
Yeoman House- Expenditure	Cr	94
Cost of Local Elections		565
Exchequer contract saving re services transferred to parking contractor	Cr	60
Apprenticeship Levy	Cr	130
PYE Savings from Registrar's restructure	Cr	18
Additional savings & income (Amey)	Cr	85
Microsoft Enterprise licenses (as per Nov 2018 Exec)		92
Drawdown of Merit Awards 2018/19		200
Additional in year grant funding returned to central contingency	Cr	227
Other Budget Movements		
Yeoman House rent PYE for ECHS	Cr	53
Moving Admin Officer post to ECHS	Cr	20
Transfer of Health & Safety post from PPE		13
Transfer of resources from ECHS to Liberata contract budget		28
Latest Approved Budget for 2018/19		<u>28,785</u>

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

1. Revenue & Benefits Cr £209k

Within Revenues and Benefits there is a projected underspend of £209k. This is primarily due to vacancies and posts where staff are working reduced hours (116k). It should be noted that one of the vacancies is proving difficult to recruit to. In addition to this variance there are several other factors contributing to the overall position as shown in the table below.

The Incentive scheme payments have had fewer applicants and the budget is expected to underspend by £82k.

Of the variances shown Cr £46k relates to funds previously agreed to be set aside for the retendering of the Exchequer contract, this work will continue into 2019/20 and therefore a request will be submitted to the Executive to carry forward these funds.

£50k has been set aside for additional potential costs relating to pensions that may be required.

Other minor variations across the service total Cr £15k.

Summary of variations within Revenue & Benefits	£000
Staffing vacancies and reduced hours	Cr 116
Expected underspend relating to Incentive scheme payment	Cr 82
Retendering of Exchequer contract - request for carry forward	Cr 46
Provision for expected pension impact of current work	50
Other minor variations	Cr 15
Total variations within Benefits & Admin	Cr 209

2. Payments and Income Cr £16k

This is due to a reduction in the Liberata contract price, agreed in August 18 and effective from 1st April 18. It relates to a reduction in the volume of invoices processed for property payments since the award of the Amey contract. The saving has been built into the 2019/20 budget.

3. Financial Accounting Cr £66k

This variance mainly relates to staff vacancies and other minor running expenses.

4. Management Accounting & Systems Cr £143k

Staffing costs are projected to be £157k below budget due to various part and full year vacancies throughout the year, some of which have now been filled. This is being offset to some extent by the cessation of the previously achieved income relating to the Liberata contract for schools (Dr £42), as well as other minor net underspends of £28k.

5. Audit Cr 3k

Overall there is a net underspend of £3k for audit, however there are a number of variations making up this figure.

The Public Sector Audit Appointment has reduced 2018/19 fee scales by 23 percent for all opted-in bodies in comparison to last year's fees resulting in an underspend of £28k.

There are higher number of recoveries from Court Cases than anticipated resulting in Cr 23k, which partly offsets the costs of £68k for additional work on investigations, fraud and admin penalties. A £20k provision has also been made for the cost of fraud partnership investigations.

Staffing is expected to underspend by £31k mainly due to a part year vacancy. Other minor variations total Cr 9k.

Summary of variations within Audit	£000
External Audit Fee for 2018/19 (Reduced rate)	Cr 28
Recoveries from Court Cases	Cr 23
Additional work on Investigations (LB Croydon), Fraud (RB Greenwich) & admin penalty work	68
Provision Fraud Partnership Investigations	20
Staffing and employee expenses	Cr 31
Other Minor Variations	Cr 9
Total variations within Audit	Cr 3

CORPORATE SERVICES DIVISION

6. Information Systems & Telephony Cr £330k

Overall there is a total projected underspend of £330k across the IS & T Service. Part year vacancies of permanent staff has led to a net underspend £71k.

Due to delays in recruiting the temporary GDPR staff, there is an underspend of £160k which will need to be carried forward to 2019/20 to fund the staff up to the agreed 18 months fixed term. In addition £90k of the specific funding for GDPR system work will need to be carried forward to 2019/20 to enable the work to be completed.

There is a £20k underspend on the variable element of the BT contract which includes service desk activities, hardware support levels and service requests raised.

Other minor variations across the service total Dr £11k.

Summary of variations within IS & T	£000
Staff vacancies for permanent staff	Cr 71
Staff vacancies for temporary GDPR staff (c/f request)	Cr 160
GDPR system work (c/f request)	Cr 90
Variable element of BT contract	Cr 20
Other Minor Variations	11
Total variations within IS & T	Cr 330

7. Electoral Dr £18k

This overspend is mainly due to the extra costs incurred for the by-election held earlier this year.

8. Democratic Services Cr £40k

Additional spend on IT for new Members (£23k), has been more than offset by a projected underspend on Members allowances of £51k. Other minor variations total Cr £12k.

9. Legal Services Dr £81k

Legal Services is forecasting an overall adverse variance of £81k, largely relating to the additional legal work in respect of childcare cases. The situation is being monitored closely and the service has been working to reduce the overspend. Legal Services is now projecting an overspend of around £106k on Counsel fees and court costs, offset to some extent by a one-off income of £40k relating to legal work in facilitating the sale of the Old Town Hall. Other minor net variations total Dr £15k.

Summary of variations within Legal Services	£000
Counsel fees/court fees relating to childcare caseload	106
Income from sale of Old Town Hall	Cr 40
Other Minor Variations	15
Total variations within Legal Services	81

HR & CUSTOMER SERVICES DIVISION

10. Human Resources Cr £137k

£140k was set aside for GDPR compliance work. It is now anticipated that there will be a £70k underspend, as Officers have been able to enhance an existing internal system following market testing of all options, rather than purchase a bespoke system.

Additional income of £39k has been generated from advertisements on the Bromley Website for 2018/19, £28k of which, is from Academies. There is new web recruitment system in place from January 2019 which allowed greater functionality and contracts and schedules are now generated online. This extra income has been built into the 2019/20 budget.

There is also a small underspend relating to the Merited Rewards, and the element of those funds set aside for the departmental representatives to work towards the 'Dream Organisation', which is requested to be carried forward and used in 2019/20, totalling £36k. This is made up of £16k for Departmental Representatives and £20k for the Merited Rewards balance.

Other minor variations total Dr £8k.

Summary of variations within Human Resources	£000
GDPR compliance - utilisation of existing HR system	Cr 70
Advertising income	Cr 39
Merited Rewards including Departmental Representatives (c/f request)	Cr 36
Other Minor Variations	8
Total variations within Human Resources	Cr 137

COMMISSIONING AND PROCUREMENT DIVISION

11. Commissioning & Procurement Cr £3k

The underspend of £34k on staffing due staff maternity and sick leave has been used to fund legal staff for commissioning, rather than utilising the commissioning fund (£31k).

CHIEF EXECUTIVE'S DIVISION

12. Chief Executive's Division - Cr £31k

There is a net £31k underspend within the Chief Executive's division. This mainly relates to a projected underspend of the funds set aside for the Biggin Hill Airport Project (Cr £24k). It is expected that these costs will be incurred during early 2019/20, and therefore a request will be made to carry forward this balance. The other net underspend of £7k is due to part vacant posts which have now been filled.

CENTRAL ITEMS

13. Central items Cr £388k

The number and cost of ill-health retirements and costs arising from the early release of pension on redundancy will be lower than budgeted. The outturn position will be dependent upon any further costs arising during the final quarter of the year.

ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT

14. Admin Buildings & Facilities Support Cr £85k

The underspend in this area relates to the forecast of MFD contract costs in line with last year (£49k) alongside reduced costs for business rates relating to Yeoman House following the sale of this property (£12k) and other minor variations including an overachievement of income from staff car parking (£24k).

15. Investment and Non-Operational Property Cr £99k

There is an adverse variance of Dr £54k relating to business rates due for 54 Market Sq following Argos vacating the property. This is more than offset by the lower cost of business rates and utility costs relating to Exchequer House (Cr £104k) following its vacation and subsequent sale. These budgets have been reduced to realise the anticipated saving in 2019/20. In addition there are various net underspends across the other surplus and sundry properties totalling £49k.

Summary of variations within Investment & Non-Operational Property	£000
Business rates for 54 Market Square	54
Business rates for Exchequer House	Cr 104
Various net underspends across the other surplus & sundry properties	Cr 49
Total variations within Investment & Non-Operational Property	Cr 99

16. TFM Client Monitoring Team Cr £20k

The £20k underspend relates to salaries and is due to the utilities manager post being filled late in the financial year by an agency worker at a lower cost.

17. Other Rental Income - Other Portfolios - Cr £25k

Additional income from the Bromley Youth Music (£15) and Services for Elderly People (£38k), which is being partially offset by other deficits, primarily the income projected for Parks (£23k) as well as other minor variations (£5k).

Summary of variations within Other Rental Income - Other Portfolios	£000
Bromley Youth Music	Cr 15
Services for Elderly People	Cr 38
Parks income	23
Other Minor Variations	5
Total variations within Other Rental Income - Other Portfolios	Cr 25

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

- 1) £50,000 virement from the underspend within the Chief Executive's division to Legal Services, to meet part of the cost of work on Childcare cases.
- 2) £10,000 virement from Exchequer - Revenues and Benefits to ISD in order to complete finalisation of the specification and to undertake initial contract evaluation work relating to the retender of the Exchequer contract.
- 3) £29,000 virement from within the Chief Executive division to Registrars in order to carry out necessary refurbishment work to public areas.
- 4) £11,000 virement from within the HR division to Registrars in order to carry out necessary refurbishment work to public areas.
- 5) £29,060 virement within HR division from the Occupational Health contract to HR Consultancy staffing.
- 6) £20,000 virement from Revenue & Benefits to Legal Services in relation to the work undertaken on the preparation of the contract document for Exchequer services.

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	206,000		1,078,000	1,284,000	Cr 3,000,000
Increase in Cost of Homelessness/Impact of Welfare Reforms	3,396,000		1,739,000	0	1,739,000	Cr 1,657,000
General Provision for Risk/Uncertainty	2,219,000			1,369,000	1,369,000	Cr 850,000
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			0	0	Cr 2,182,000
Impact of Chancellor's Summer Budget 2015 on Future Costs	1,158,000			0	0	Cr 1,158,000
Homelessness Reduction Act	750,000		750,000	0	750,000	0
Growth for Waste Services	587,000			0	0	Cr 587,000
Cost of Local Elections	500,000	565,000		0	565,000	(2)(3) 65,000
Universal Credit - Claimant Fault Overpayment Recoveries	500,000			500,000	500,000	0
Further Reduction to Government Funding	500,000			0	0	Cr 500,000
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			0	0	Cr 60,000
Other Variations	101,000			101,000	101,000	0
Additional Income Opportunity (Amey)	Cr 500,000		Cr 375,580	0	Cr 375,580	124,420
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
Contribution to Technology Fund - IT Strategy		3,500,000		0	3,500,000	(3) 3,500,000
Contribution to Housing Investment Fund			7,500,000	0	7,500,000	7,500,000
IT Transformation		92,000		0	92,000	(3) 92,000
Staff Merit Award			200,000	0	200,000	200,000
Contribution to Civic Centre Improvement Works			200,000	0	200,000	200,000
Contribution to Transformation Fund			500,000	0	500,000	500,000
Items Returned to Central Contingency						
Waste Disposal		Cr 490,000		0	Cr 490,000	(2)(3) Cr 490,000
Parking - Bus Lane Contraventions		Cr 300,000		0	Cr 300,000	(2) Cr 300,000
Apprenticeship Levy		Cr 130,000		0	Cr 130,000	(2) Cr 130,000
Liberata Contract (Cash Counting)		Cr 60,000		0	Cr 60,000	(2) Cr 60,000
Beckenham and Penge BID		Cr 44,000		0	Cr 44,000	(2) Cr 44,000
Highways Maintenance Contract - Part Yr Saving		Cr 169,000		0	Cr 169,000	(2) Cr 169,000
Registrar's Service - Part Yr Saving		Cr 18,000		0	Cr 18,000	(2) Cr 18,000
Additional in year grant funding returned to central contingency			Cr 227,000	0	Cr 227,000	Cr 227,000
	13,405,000	3,194,000	10,286,420	716,000	14,196,420	791,420
Grants included within Central Contingency Sum						
Adult Social Care						
Grant Related Expenditure	873,000	500,000	Cr 500,000	0	0	(3) Cr 873,000
Adult Social Care Support						
Grant Related Expenditure	744,000			0	0	Cr 744,000
Grant Related Income	Cr 744,000		Cr 744,000	0	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 Pathfinder Grant 2018/19						
Grant Related Expenditure		27,522		0	27,522	(2) 27,522
Grant Related Income		Cr 27,522		0	Cr 27,522	Cr 27,522
Social Care Investment to ease NHS Winter Pressures						
- Expenditure			1,190,460		1,190,460	1,190,460
- Income			Cr 1,190,460		Cr 1,190,460	Cr 1,190,460
TOTAL CARRIED FORWARD	14,278,000	3,694,000	9,042,420	716,000	13,452,420	Cr 825,580

Notes:

- (1) Executive 28th March 2018
(2) Executive 11th July 2018
(3) Executive 28th November 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	Items Projected for Remainder of Year	Total		
	£	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	14,278,000	3,694,000	9,042,420	716,000	13,452,420		Cr 825,580
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	0	3,171,681	(4)	0
- Income	Cr 3,171,681	Cr 3,171,681	0	0	Cr 3,171,681		0
Better Care Fund - 2015/16 GoodGym							
- Expenditure	7,500	7,500	0	0	7,500	(4)	0
- Income	Cr 7,500	Cr 7,500	0	0	Cr 7,500		0
Better Care Fund 2017/18							
- Expenditure	28,390	28,390	0	0	28,390	(4)	0
- Income	Cr 28,390	Cr 28,390	0	0	Cr 28,390		0
Public Health							
- Expenditure	1,018,324	1,018,324	0	0	1,018,324	(4)	0
- Income	Cr 1,018,324	Cr 1,018,324	0	0	Cr 1,018,324		0
Resources, Commissioning & Contracts Management Portfolio							
Debt Management System Project - Transformation Grant							
- Expenditure	37,860	37,860	0	0	37,860	(6)	0
- Income	Cr 37,860	Cr 37,860	0	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	0	36,378	(3)	0
- Income	Cr 36,378	Cr 36,378	0	0	Cr 36,378		0
New Homes Bonus - Regeneration							
- Expenditure	171,260	171,260	0	0	171,260	(3)	0
- Income	Cr 171,260	Cr 171,260	0	0	Cr 171,260		0
Planning Strategy & Projects - Custom Build Grant							
- Expenditure	30,000	30,000	0	0	30,000	(3)	0
- Income	Cr 30,000	Cr 30,000	0	0	Cr 30,000		0
Implementing Welfare Reform Changes							
- Expenditure	54,918	54,918	0	0	54,918	(3)	0
- Income	Cr 54,918	Cr 54,918	0	0	Cr 54,918		0
Flexible Homeless Grant							
- Expenditure	82,600	82,600	0	0	82,600	(3)	0
- Income	Cr 82,600	Cr 82,600	0	0	Cr 82,600		0
2016/17 Fire Safety Grant							
- Expenditure	43,870	43,870	0	0	43,870	(3)	0
- Income	Cr 43,870	Cr 43,870	0	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	0	69,100	(8)	0
- Income	Cr 69,100	Cr 69,100	0	0	Cr 69,100		0
SEND Reform Grant							
- Expenditure	20,013	20,013	0	0	20,013	(8)	0
- Income	Cr 20,013	Cr 20,013	0	0	Cr 20,013		0
School improvement Grant							
- Expenditure	46,500	46,500	0	0	46,500	(8)	0
- Income	Cr 46,500	Cr 46,500	0	0	Cr 46,500		0
Pathfinder Grant							
- Expenditure	16,489	16,489	0	0	16,489	(8)	0
- Income	Cr 16,489	Cr 16,489	0	0	Cr 16,489		0
Early Years Grant							
- Expenditure	14,800	14,800	0	0	14,800	(8)	0
- Income	Cr 14,800	Cr 14,800	0	0	Cr 14,800		0
High Needs Strategic Planning Fund							
- Expenditure	13,019	13,019	0	0	13,019	(8)	0
- Income	Cr 13,019	Cr 13,019	0	0	Cr 13,019		0
Tackling Troubled Families							
- Expenditure	497,885	497,885	0	0	497,885	(8)	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			
- Income	£ Cr 497,885	£ Cr 497,885	£ 0	£ 0	£ Cr 497,885	0	
General							
Short Term Assistance to Day Centres	152,025	152,025	0	0	152,025	(1) 0	
R&M - Central Depot Wall	163,000	163,000	0	0	163,000	(2) 0	
Democratic Services - Councillor IT Provision	20,000	20,000	0	0	20,000	(2) 0	
Contracts Register/Summaries Database	50,000	50,000	0	0	50,000	(6) 0	
Biggin Hill Airport - Noise Action Plan	24,315	24,315	0	0	24,315	(6) 0	
Information Systems & Telephony GDPR	426,000	426,000	0	0	426,000	(6) 0	
Legal Staff Costs GDPR	52,000	52,000	0	0	52,000	(6) 0	
Staff Merit Awards	36,000	36,000	0	0	36,000	(6) 0	
Exchequer Revenue & Benefits - Exchequer Contract	91,000	91,000	0	0	91,000	(6) 0	
Exchequer Revenue & Benefits - Academy System Upgrade	98,000	98,000	0	0	98,000	(6) 0	
Green Garden Waste - Debt Management System	120,000	120,000	0	0	120,000	(7) 0	
Management and Contract Support	80,000	80,000	0	0	80,000	(7) 0	
Parks Infrastructure Works	80,000	80,000	0	0	80,000	(7) 0	
Additional ECS Resources - Delay in Recruitment	67,000	67,000	0	0	67,000	(5) 0	
Total Carried Forward from 2017/18	1,459,340	1,459,340	0	0	1,459,340	0	
GRAND TOTAL	15,737,340	5,153,340	9,042,420	716,000	14,911,760	Cr 825,580	

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

APPENDIX 5

Description	2018/19 Latest Approved Budget £'000	Variation To 2018/19 Budget £'000	Potential Impact in 2019/20
Housing Needs - Temporary Accommodation	6,241	38	The full year effect of Temporary Accommodation is currently estimated to be £521k (pressure of £1,460k less drawdown of £939k in 2018/19) 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	21,930	377	The full year impact of the current overspend is estimated at Dr £954k . Of this amount £936k of this relates to residential and nursing home placements and £18k to domiciliary care / direct payments . This is based on client numbers as at the end of December. The fye is reduced by management action relating to additional joint funding income from the CCG of an expected £340k, although it should be noted that this target has not yet been achieved for the current financial year.this figure is further reduced by £33k relating to BCF
Learning Disabilities - including Care Placements, Transport and Care Management	33,706	578 (net of planned management action)	The full year effect (FYE) is estimated at a net overspend of £1,322k. This figure is net of planned savings from management action, without which the FYE overspend would be £1,542k. The FYE positions reported in Q1 and Q2 monitoring were £177k and £1,007k respectively (net of planned savings), so the current position shows a continued trend of increased budget pressures. Anticipated 2018/19 growth and pressures from 2017/18 were both fully funded in the 2018/19 budget so this pressure is over and above that. There are many reasons for the overspend but the single largest factor is the high number of new and increased care packages. The projections continue to include a number of assumptions so the full year effect position may still vary between now and the end of the year.
Mental Health - Care Placements	6,169	142	The full year overspend of £161k anticipated on Mental Health care packages is an improved position in comparison to the previous forecast. While new care packages continue to be agreed, there is an almost equivalent level of clients who are progressing through the service, either to independent living arrangements or requiring reduced care support. This is the more usual trend for mental health-related placements but one which hadn't been evident in recent monitoring cycles.
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	3,611	The overall full year effect of the Children's Social Care overspend is £3,801k, analysed as Residential, Fostering and Adoption Dr £5,115k , Leaving Care services (inc Staying Put and Housing Benefit clients) Cr £153k, No Recourse to Public Funds Cr £179k and Parental Assessments Cr £82k . This assumes that management action of £400k is achieved in 2019/20 and additional funding being negotiated from Bromley CCG of £500k is also received. Additionally, staffing costs are projected to be overspent by £939k due to continued high use of agency staff, however management action has been included to offset this as the department will need to manage the costs of staffing within the overall budget.

APPENDIX 5

Description	2018/19 Latest Approved Budget £'000	Variation To 2018/19 Budget £'000	Potential Impact in 2019/20
Legal Services - Legal / Counsel Fees and Court costs	389	106	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 in the region of under 70 cases this year. It is anticipated that the high volume of cases will gradually reduce in 2019/20. At this time additional expenditure of around £70k is projected for 2019/20.
Adult Education	Cr 525	128	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.

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 Dec 2018 £000
<u>Revenue</u>					<u>Revenue</u>
391	Highway Improvement Works	33	255	-	169
18	Road Safety Schemes	-	10	-	8
45	Local Economy & Town Centres	3	22	-	26
87	Parking	3	-	-	90
1,198	Healthcare Services	480	-	-	1,678
10	Community Facilities	33	-	-	43
311	Other	-	-	-	311
2,060		552	287	-	2,325
<u>Capital</u>					<u>Capital</u>
3,311	Education	1,191	1,274	-	3,228
3,104	Housing	1,321	67	-	4,358
-	Local Economy & Town Centres	2,158	-	-	2,158
82	Highway Improvement Works	-	-	-	82
86	Other	39	-	-	125
6,583		4,709	1,341	-	9,951
8,643		5,261	1,628	0	12,276