

GENERAL FUND - PROVISIONAL OUTTURN FOR 2018/19

Portfolio	2018/19 Original Budget £'000	Budget Variations allocated in year # £'000	2018/19 Final Approved Budget £'000	2018/19 Provisional Final Outturn £'000	Variation £'000	Variation previously reported 27/03/19 £'000
Adult Care & Health	67,346	Cr 284	67,062	67,014	Cr 48	Cr 13
Education, Children & Families (incl. Schools' Budget)	40,189	422	40,611	43,803	3,192	2,997
Environment Community Services	30,546	Cr 699	29,847	28,492	Cr 1,355	Cr 689
Public Protection & Enforcement	2,424	59	2,483	2,237	Cr 246	Cr 219
Renewal, Recreation & Housing	13,970	3,066	17,036	17,115	79	64
Resources, Commissioning & Contracts Management	46,797	972	47,769	45,957	Cr 1,812	Cr 1,492
Total Controllable Budgets	201,272	3,536	204,808	204,618	Cr 190	648
Capital, Insurance & Pensions Costs (see note 2)	12,056	1,307	13,363	13,363	0	0
Non General Fund Recharges	Cr 759	Cr 3	Cr 762	Cr 762	0	0
Total Portfolios (see note 1)	212,569	4,840	217,409	217,219	Cr 190	648
Adj for Carry Forwards from 2018/19 to 2019/20	0	0	0	906	906	0
Reversal of net Capital Charges (see note 2)	Cr 10,646	Cr 1,304	Cr 11,950	Cr 11,895	55	0
	201,923	3,536	205,459	206,230	771	648
Central Items:						
Income from Investment Properties	Cr 9,973	Cr 165	Cr 10,138	Cr 9,898	240	279
Interest on General Fund Balances	Cr 3,491	0	Cr 3,491	Cr 4,951	Cr 1,460	Cr 500
Total Investment Income	Cr 13,464	Cr 165	Cr 13,629	Cr 14,849	Cr 1,220	Cr 221
Contingency Provision (see Appendix 4)	14,278	Cr 10,504	3,774	0	Cr 3,774	Cr 826
Other central items						
New Homes Bonus Support for Revenue	Cr 2,256	0	Cr 2,256	0	2,256	0
Utilisation/Set Aside of prior Year Collection Fund Surplus	2,210	0	2,210	7,852	5,642	0
Contribution to Technology Fund - IT Strategy	0	3,500	3,500	3,254	Cr 246	Cr 246
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
LRB Receipts	0	0	0	Cr 10	Cr 10	0
Levies	1,262	0	1,262	1,262	0	0
Total other central items	1,216	11,700	12,916	20,558	7,642	Cr 246
Carry Forwards from 2018/19 to 2019/20	0	0	0	Cr 906	Cr 906	0
Prior Year Adjustments						
Care placements provision	0	0	0	Cr 628	Cr 628	Cr 628
Write back of IT costs back to revenue	0	0	0	772	772	746
RCCO charge back to revenue	0	0	0	Cr 500	Cr 500	Cr 500
NNDR and Council Tax Credits	0	0	0	Cr 1,077	Cr 1,077	0
Council Tax Benefit Adjustments	0	0	0	Cr 102	Cr 102	0
Bromley Old Town Hall Dilap Fund	0	0	0	Cr 242	Cr 242	0
Total Prior Year Adjustments	0	0	0	Cr 1,777	Cr 1,777	Cr 382
Subject to approval at Executive 21 May 2019						
Contribution to YES funding for 2019/20	0	0	0	130	130	0
Day Centre rent relief	0	0	0	76	76	0
Housing invest to save	0	0	0	3,409	3,409	0
	0	0	0	3,615	3,615	0
Total all central items	2,030	1,031	3,061	6,641	3,580	Cr 1,675
Bromley's Requirement before balances	203,953	4,567	208,520	212,871	4,351	Cr 1,027
Carry Forwards from 2017/18 (see note 3)	0	Cr 1,296	Cr 1,296	0	1,296	1,296
Carry Forward from 2017/18 (R&M)	0	Cr 163	Cr 163	0	163	163
Adjustment to Balances	0	0	0	0	0	1,068
	203,953	3,108	207,061	212,871	5,810	1,500
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 41,960	0	Cr 41,960	Cr 45,120	Cr 3,160	Cr 1,500
London Pilot Business Rate Pool	0	Cr 2,900	Cr 2,900	Cr 5,087	Cr 2,187	0
Redistribution of Business Rates	0	0	0	Cr 581	Cr 581	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 90	118	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
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# Budget Variations allocated to portfolios in year consists of:	£'000	
1) Carry forwards from 2017/18	1,459	(see note 3)
2) Capital, Insurance & Pension Accounting Requirements	1,304	(see note 2)
3) Allocations from the central contingency provision	2,077	(see Appendix 4)
	<u>4,840</u>	

1) **NOTES**

Portfolio Final Approved Budgets analysed over Departments as follows:

	2018/19 Original Budget £'000	Budget Variations allocated in year #	2018/19 Final Approved Budget £'000	2018/19 Provisional Final Outturn £'000	Variation £'000	Variation previously reported Exec 27/03/19 £'000
Education Care & Health Services	129,664	8,037	137,701	141,158	3,457	3,178
Environment & Community Services	57,257	Cr 2,092	55,165	52,949	Cr 2,216	Cr 1,268
Chief Executive's Department	25,648	Cr 1,105	24,543	23,112	Cr 1,431	Cr 1,262
	<u>212,569</u>	<u>4,840</u>	<u>217,409</u>	<u>217,219</u>	<u>Cr 190</u>	<u>648</u>

2) Reversal of net Capital Charges

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

3) Carry Forwards from 2017/18

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

Comments from the Executive Director of Environment and Community Services

(Environment Community Services Portfolio)

The Environment & Community Portfolio has a net underspend of £1,355k for 2018/19. This was mainly from two areas - Waste (£619k) and Highways (£346k). Other net variances across the Portfolio total Cr £390k.

The variances in waste are for waste disposal costs, green garden waste service, defaults and recycling material income. Waste tonnages are unpredictable and therefore the variances may not continue in future years. It is also not clear what impact the new waste contract will have. Executive are requested 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.

Following the mild winter and lack of snowfall, there was an underspend on the winter service budget in Highways. There was also additional income received mainly due a spike in the volume of Section 74 Notices.

Other variances across the Portfolio mainly include staff vacancies, various one-off additional income and a reduction in Cleansing costs due to the dry summer.

(Public Protection and Enforcement Portfolio)

There was a net underspend of £246k for Public Protection and Enforcement Portfolio for 2018/19 mostly from staff vacancies. Due to a delay in recruitment, a request will be submitted to the Executive to carry forward £163k to 2019/20 and 2020/21 to fund the remaining agreed term for the three additional temporary Food Safety Officers.

(Renewal, Recreation and Housing Portfolio - ECS Department)

The Renewal, Recreation & Housing Portfolio (ECS dept) has a net underspend of £234k for 2018/19. £117k 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 £117k is mainly due to staff vacancies.

(Resources, Commissioning & Contract Management Portfolio - ECS Department)

Total Facilities Management has a net underspend of £381k for 2018/19. This is mostly due to underspends on the printer contract, the sale of Exchequer House, staff vacancies and utility costs. This has been partly offset by additional costs relating to vacant investment properties, such as 54 Market Square, following the vacation of Argos.

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.

– 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.

– Renewal, Recreation and Housing Portfolio (ECS Department)

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 the 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.

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

Overall the variance for the Corporate Services Division is £242k underspent. The two main variances are within Legal and Information Systems.

Legal Services has a net overspend of £193k. The majority of the overspend (£307k) was due to additional counsel fees and court costs relating to caseloads within children's services. This was partly offset by additional income, underspend from staff vacancies and other minor variations (£114k).

The Information Systems & Telephony variance is an underspend of £410k relating to General Data Protection Regulations (GDPR) staffing and systems work, plus other staffing vacancies. A request will be made to carry forward £311k of this variance to complete the GDPR work.

Analysis of Risks

The variance for legal is an overspend of £193k. The majority of the overspend (Dr £307k) is due to additional counsel fees and court costs relating to caseloads within children's services, which has been partly offset by additional income, underspend from staff vacancies and other minor variations (Cr £114k).

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. In 2018/19, there were approximately 60 cases. A minimum court fee of £2,025 is payable on each case which means even with an additional 12 cases this 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 Director of HR & Customer Services (Resources, Commissioning & Contract Management Portfolio) including Risk Areas

The overall variance for the Human Resources and Customer Services Division was an underspend of £198k. This relates to the General Data Protection Regulations (GDPR) compliance work, in regard to the utilisation of the existing Human Resources system.

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

- Adult Care & Health

The provisional outturn for the Adult, Care and Health Services Portfolio is an underspend of £48k 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 (an average of 14 above budget during the year) 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 main risks in the Adult Care and Health Portfolio are:-

- i) Impact of the national living wage across Care Services and the impact on contracts
- ii) Increased complexity of clients coming through the system
- iii) Increasing number of clients coming through the system

- Housing

The provisional outturn for 2018/19 in housing services is an underspend of £23k, which includes the allocation of £2,489k from the central contingency to mitigate the ongoing homelessness pressures being experienced in Bromley, as agreed by the Executive in March 2019. 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 £3,192,000 for the year.

The Education Division has an underspend of £12,000. Pressures in Adult Education, in house nurseries and the Education Welfare Service are currently being mitigated by Workforce Development and Governor Services, Early Years and SEN and Inclusion.

There is a final underspend in DSG of £1,481k in 2018/19. This will be added to the £1,180k brought forward from 2017/18. The 2017/18 brought forward figure has had to be adjusted by the Early Year funding adjustment which has reduced the amount of DSG we received in 2018/19 by £166k. This gives us a final DSG balance of £2,495k at the end of the financial year to be carried forward. 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 which will in effect be the first call of the total carried forward sum. Without the £788k funding LBB would only be carrying forward £1,707k 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 £3,204k 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 43 more children (236) (in year/projected) above an agreed (financial baseline) of 194 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*

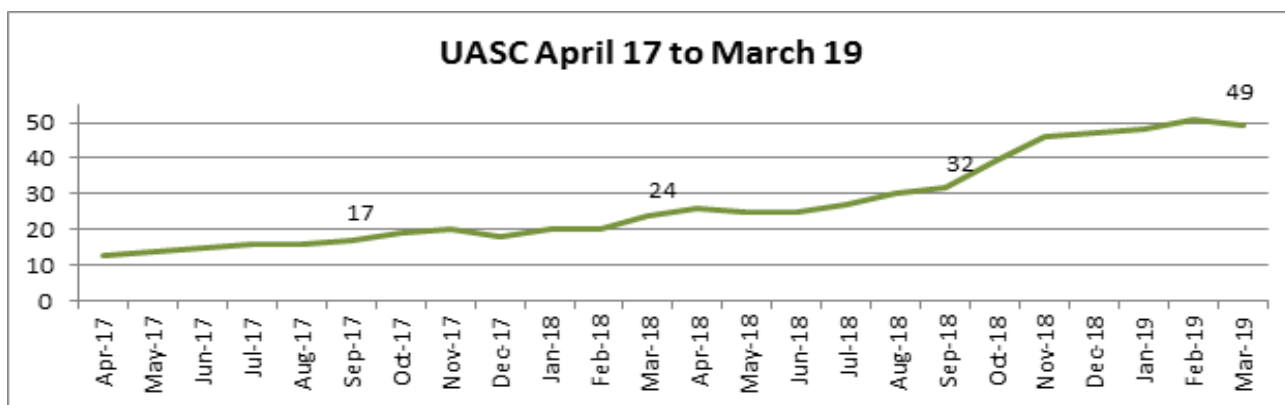
Table 2

Code	2018/19 Approved Budget			2018/19 Outturn			2018/19 Variation	
	£	Full Year Equiv.		£	Full Year Equiv.		£	Full Year Equiv.
RESIDENTIAL (all types)	6,396,870	32.56		7,474,185	38.70		1,077,315	6.14
FOSTERING								
Fostering IFA	2,709,040	62.67		3,840,682	85.43		1,131,642	22.76
Fostering In house	2,873,890	98.53		2,702,235	112.15		(171,655)	13.62
Total Fostering Placements	5,582,930	161.20		6,542,917	197.58		959,987	36.38
TOTAL RESIDENTIAL/ FOSTERING PLACEMENTS	11,979,800	193.76		14,017,102	236.28		2,037,302	42.52

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 which rose to 51 and in February Bromley removed itself from the rota and will not receive any further young people. Our current cohort of Looked After is 342 and 49 of these are UASC.



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. This would be offset by grant but would still leave a net position to be funded by the Council.

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

An initial interest meeting took place in February and a further meeting is due to take place in May to consider if this would support better efficiencies and improve the pool of placements for more complex children.

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 May 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 £'000	Division Service Areas	2018/19 Original Budget £'000	2018/19 Final Approved £'000	2018/19 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Adult Social Care								
23,836	Assessment and Care Management	23,462	22,083	23,299	1,216	1	1,058	959
0	Planned A&CM savings from management action	0	0	0	0			
406	Direct Services	144	144	139	Cr 5	2	0	0
0	Quality Assurance & Safeguarding	0	122	103	Cr 19	3	0	0
32,070	Learning Disabilities	33,551	33,708	34,198	490	4	597	1,113
0	Planned LD savings from management action	0	0	0	0		19	0
6,018	Mental Health	6,273	6,169	6,416	247	5	142	331
Cr 1,009	Better Care Funding - Protection of Social Care	0	0	Cr 677	Cr 677	6	Cr 519	Cr 492
Cr 935	Better Care Fund / Improved Better Care Fund	0	0	0	0	7	0	0
0	Winter Pressures Grant	0	0	Cr 1,190	Cr 1,190		Cr 1,190	0
60,386		63,430	62,226	62,288	62		7	1,571
Programmes								
1,639	Programmes Team	1,986	2,364	2,316	Cr 48	8	Cr 9	0
3,152	Information & Early Intervention	1,127	1,126	932	Cr 194		Cr 173	Cr 33
Cr 3,152	- Net Expenditure	Cr 1,042	Cr 1,126	Cr 932	194		173	33
	Better Care Fund							
21,680	- Expenditure	21,183	22,435	22,377	Cr 58		0	0
Cr 21,819	- Income	Cr 21,275	Cr 22,527	Cr 22,469	58		0	0
	Improved Better Care Fund							
4,184	- Expenditure	4,490	8,548	8,548	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	1,100	1,100	0		0	0
Cr 28	- Income	0	Cr 1,100	Cr 1,100	0		0	0
1,500		1,106	2,272	2,224	Cr 48		Cr 9	0
Strategy, Performance & Engagement								
300	Learning & Development	372	363	355	Cr 8	9	Cr 5	0
1,961	Strategy, Performance & Engagement	2,383	2,145	2,091	Cr 54		Cr 6	0
2,261		2,755	2,508	2,446	Cr 62		Cr 11	0
Public Health								
15,103	Public Health	14,763	14,764	14,764	0		0	0
Cr 15,096	Public Health - Grant Income	Cr 14,708	Cr 14,708	Cr 14,708	0		0	0
7		55	56	56	0		0	0
64,154	TOTAL CONTROLLABLE ADULT CARE & HEALTH	67,346	67,062	67,014	Cr 48		Cr 13	1,571
1,419	TOTAL NON CONTROLLABLE	221	1,673	1,673	0		Cr 31	0
2,364	TOTAL EXCLUDED RECHARGES	2,546	2,271	2,271	0		0	0
67,937	TOTAL ADULT CARE & HEALTH PORTFOLIO	70,113	71,006	70,958	Cr 48		Cr 44	1,571

Reconciliation of Final 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
IBCF expenditure drawdown		873
Merit awards		31
National Living Wage funding returned to contingency	Cr	567
Memorandum Items:		
Capital Charges		179
Insurance	Cr	17
Rent income	Cr	38
Repairs & Maintenance	Cr	70
IAS19 (FRS17)		1,219
Excluded Recharges		31
Final Approved Budget for 2018/19		71,006

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REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £1,216k

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

	<u>Variation</u>	
	£'000	
<u>Physical Support / Sensory Support / Memory & Cognition</u>		
Services for 65 +		
- Placements	Cr	349
- Respite Care	Cr	48
- Domiciliary Care / Direct Payments	Cr	114
	<u>Cr</u>	<u>511</u>
Services for 18 - 64		
- Placements		429
- Respite Care		1
- Domiciliary Care / Direct Payments		100
		<u>530</u>
Other		
- Day Care	Cr	683
- Transport	Cr	187
- Extra Care Housing	Cr	122
- Staffing		273
- Community Equipment		230
- D2A		1,121
- Other	Cr	80
- Contribution to Provision for Bad Debts		645
		<u>1,197</u>
		<u>1,216</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 £511k

The average numbers of service users in residential and nursing care across the year was 420 which was 6 above the budget provision of 414. Despite this, the final outturn was an underspend of £525k for the year. Income in relation to court of protection cases continued to partly offset the cost of the higher numbers, as well as average net placement costs being lower than what was budgeted for.

Included in the £525k underspend 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. This was budgeted at £340k, however only £51k of this was achieved.

Offsetting the underspend in long term placements, there was a high number of temporary and emergency placements during the year, resulting in an overspend of £176k on the budget. At the end of March, there were 35 service users still in these placements.

The budget for respite care for this age group was £48k underspent at year end.

The overall position on the domiciliary care and direct payments budgets is an underspend of £114k, which is a change of Cr £42k from the underspend position of £72k reported in December. This underspend consists of:

1) 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 underspend of £61k; an additional underspend of £55k from the figure reported in December. Although it is difficult to quantify the reasons for the changes in domiciliary care costs as the income and expenditure varies with each service user, the effects of the Discharge to Assess extended pilot would be impacting on these costs. Direct payments outturned with an underspend of £203k, a reduction in the underspend last reported which was Cr £217k.

Services for 18-64+ - Dr £530k

Placements for 18-64 age group outturned with an overspend of £374k this year, an increase of £50k since the December 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.

In addition, as with the budget for over 65's, the £374k overspend above includes the full year effect of management action from 2017/18 relating to additional income from the CCG for joint funding of placements of £108k. This target was not achieved this year and therefore forms part of the reported overspend.

During the year there were also temporary and emergency placements made, resulting in an overspend of £55k on the budget. At the end of March there were 5 service users still in these placements.

The budget for respite care for this age group was £1k overspent at year end.

The overall position on the domiciliary care and direct payments budgets is an overspend of £100k, a reduction of £55k since December. Domiciliary care was underspent by £28k, compared to an overspend of £11k last monitoring, and direct payments was overspent by £128k, a reduction of £67k in the overspend since December. The main reduction relates to the recovery of unused direct payments from service users.

Other costs as detailed below - Dr £1,197k

Day Care - Cr £683k

Day Care services continued to show reduced use of the service during the year 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 final underspend of £683k.

Transport - Cr £187k

The reduced use of Day Care services has impacted on the service provided by Greenwich Services Plus (GSP), with an underspend of £187k for the year, despite the unit cost for each return journey being paid to GSP having increased from £32.67 to £37.43 in December 2018.

Extra Care Housing - Cr £122k

The budget for the provision of Extra Care Housing has underspent by £122k for the year, made up of an underachievement of income of £16k and an underspend of £138k on payments to the external provider's who provide the personal care services, mainly as a result of the level of voids during the year.

Staffing - Dr £273k

Within Assessment & Care Management, additional agency staff have had to be brought in to deal with the high number of reviews of current service users care packages, and those who are coming through the "front door". This, together with the additional costs of having to employ agency staff due to recruitment issues has resulted in additional costs of £273k for the year.

Community Equipment - Dr £230k

The Community Equipment budget has overspent by £230k 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 7 below.

Discharge to Assess (D2A) - Dr £1,121k

At it's meeting on 27th June the Executive agreed to extend the Discharge to Assess (D2A) pilot for another year. The total cost of the D2A service has been calculated at £1,098k this year, which includes both the costs of packages of care and staffing and associated costs. In addition, costs of £23k relating to 2017/18 which the Council were not made aware of by the CCG had to be paid from this years budget, bringing the total costs to £1,121k. Any savings arising from this are shown under the appropriate care package heading (ie placements or domiciliary care/direct payments), so would already be taken account of in the final figures shown above. £439k of the Winter Pressures Funding Grant has been allocated to offset this overspend, which is included in the amount shown at note 7 below.

A report on the outcome of the extended pilot is due to be reported to the Executive in July 2019.

Other costs - Cr £80k

Other costs for assessment and care management were underspent by £80k overall. These mainly relate to services provided to the hearing and visually impaired.

Contribution to Provision for Bad Debts - Dr £645k

A contribution of £645k to the bad debt provision has been made to ensure there is sufficient provision to cover expected levels of bad debt.

2. Direct Services - Cr £5k

Direct Services Management - Cr £5k

The underspend relates to staffing costs of £2k and leased cars of £3k.

3. Quality Assurance & Safeguarding - Cr £19k

The underspend relates to staffing costs of the Quality Assurance team within Adults Social Care.

4. Learning Disabilities - Dr £490k

As outlined in budget monitoring reports throughout the year, 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.

The final outturn position is an overspend of £490k, which compares to an anticipated overspend of £578k reported in December budget monitoring, a net reduction of £88k. This is a relatively small change in the context of the size of the budget. This net reduction comprises many variations but the single largest factor is slippage in the start dates of planned new and increased care packages. This means that these cost pressures are postponed rather than avoided.

Broadly the overspend can be attributed to the high number of new and increased care packages over and above that allowed for in the budget i.e. in excess of the estimated growth for the year, and lower than budgeted savings from management action. Demand pressures will continue to be monitored closely going into 2019/20.

Savings totalling £467k were achieved in 2018/19 (£636k in a full year), without which the overspend would have been higher. The dedicated 'invest to save' team tasked with delivering the savings ceased at the end of September 2018 with the intention that ongoing savings-related work would be embedded within the core care management team. Pressures within the core team have had an adverse impact on the capacity to undertake this work and this has contributed to lower than budgeted savings.

There was an overspend on LD Care Management of £36k which mainly arose from the use of agency staff and additional staff brought in to undertake review work.

5. Mental Health - Dr £247k

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.

The final outturn position is an overspend of £247k compared to £142k reported in December. The net increase is due to a number of factors but is principally a result of a number of additional clients placed in the final three months of the year and assumed responsibility for a client under Ordinary Residence. The impact on the full year effect is greater, moving to an estimated overspend of £331k.

It is suspected that some of the new clients may have been misclassified with Mental Health as their primary support reason but it hasn't been possible to clarify this in time to close the accounts. If this is the case it will reduce the full year impact on Mental Health (although the change will be cost neutral across the whole of Adult Social Care).

6. Better Care Fund (BCF) - Protection of Social Care - Cr £677k

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

These services underspent by £677k in 2018/19 and this has been used to offset other budget pressures within social care in line with the intentions of the funding.

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

In November 2018, the Department of Health and Social Care announced the Winter Pressures Grant to support Adult Social Care services. 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.

8. Programmes Division - Cr £48k

Programmes Team - Cr £48k

The underspend of £48k relates principally to staffing and contracts. During 2018/19 there has been a high level of staff turnover and interim staff in this area. The increase in underspend from the £9k included in the previous report is largely due to staff leaving and starting at different times to those anticipated. The additional cost associated with interim staff has been offset by other posts remaining vacant.

Information and Early Intervention - Dr & Cr £194k

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.

The main element of the £194k underspend 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 included here is the net amount for Bromley. There are also 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.

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 6 above.

Better Care Fund (BCF) - net nil variation

The underspends on the protection of social care element of Better Care Fund (Cr £677k) have been used to offset other budget pressures within Adult Social Care as outlined in note 6 above. The remaining underspend of £58k will be carried forward for spending in future years under the pooled budget arrangement with Bromley CCG. This results in a net nil variation on Better Care Fund overall.

Improved Better Care Fund (IBCF) - nil variation

The Improved Better Care Fund allocation for 2018/19 was £5.376m. In addition £3.172m of unspent 2017/18 funding was carried forward to 2018/19.

There was a degree of slippage in 2017/18, the first year of IBCF, partly because allocations were agreed relatively late in the financial year and this has had a knock on effect in year 2 of the programme resulting in underspends totalling £3,967k. In line with the original IBCF report to the Executive in October 2017, underspends can be carried forward to support expenditure in future years and spending commitments are in place in 2019/20. These commitments include contributions to balance Adult Social Care growth pressures in 2019/20.

9. Strategy, Performance & Engagement Division - Cr £62k

The underspend of £62k on the Strategy, Performance & Engagement Division principally relates to underspends on staffing and central departmental running expenses budgets, as well as higher than budgeted income from schools.

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, 2 waivers for Adult placements have been agreed for between £50k and £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 no virements.

Education, Children and Families Portfolio Budget Monitoring Summary

2017/18 Actuals	Service Areas	2018/19 Original Budget £'000	2018/19 Final Approved £'000	2018/19 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
£'000	EDUCATION CARE & HEALTH SERVICES DEPARTMENT							
	Education Division							
Cr 360	Adult Education Centres	Cr 525	Cr 520	Cr 436	84	1	128	130
418	Schools and Early Years Commissioning & QA	524	525	385	Cr 140	2	Cr 36	0
5,583	SEN and Inclusion	5,820	6,568	6,586	18		Cr 122	0
95	Strategic Place Planning	96	98	73	Cr 25		0	0
6	Workforce Development & Governor Services	5	5	6	Cr 11		Cr 44	0
Cr 167	Education Services Grant	0	0	0	0		0	0
185	Access & Inclusion	165	308	430	122	3	27	0
Cr 1,312	Schools Budgets	Cr 1,348	Cr 1,348	Cr 1,340	8	4	0	0
102	Other Strategic Functions	1,038	139	71	Cr 68	5	Cr 7	0
4,550		5,775	5,775	5,763	Cr 12		Cr 54	130
	Children's Social Care							
1,248	Bromley Youth Support Programme	1,479	1,483	1,418	Cr 65	6	Cr 12	0
686	Early Intervention and Family Support	1,093	1,071	879	Cr 192		Cr 121	0
4,912	CLA and Care Leavers	5,066	5,482	5,706	224		22	210
13,592	Fostering, Adoption and Resources	13,638	14,127	17,933	3,806		4,250	4,425
0	Management action - Additional CCG Income	0	0	Cr 800	Cr 800		Cr 800	Cr 500
2,833	Referral and Assessment Service	2,909	3,590	3,411	Cr 179		Cr 179	Cr 187
2,176	Safeguarding and Care Planning East	2,159	3,023	2,743	Cr 280		Cr 251	Cr 174
3,874	Safeguarding and Care Planning West	3,810	4,260	4,470	210		Cr 47	182
4,290	Safeguarding and Quality Improvement	4,260	1,800	2,280	480		189	945
	Planned savings from management action	0	0	0	0		0	Cr 1,345
33,611		34,414	34,836	38,040	3,204		3,051	3,556
38,161	TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN & FAMILIES	40,189	40,611	43,803	3,192		2,997	3,686
3,257	Total Non-Controllable	2,006	5,332	5,332	0		Cr 15	0
7,309	Total Excluded Recharges	8,126	8,391	8,391	0		0	0
48,727	TOTAL EDUCATION, CHILDREN & FAMILIES PORTFOLIO	50,321	54,334	57,526	3,192		2,982	3,686
	Memorandum Item							
	Sold Services							
29	Education Psychology Service (RSG Funded)	Cr 107	Cr 107	Cr 85	22	7		0
7	Education Welfare Service (RSG Funded)	Cr 32	Cr 31	8	39			0
3	Workforce Development (DSG/RSG Funded)	Cr 4	Cr 4	6	Cr 2			0
43	Community Vision Nursery (RSG Funded)	49	49	52	3			0
75	Blenheim Nursery (RSG Funded)	76	76	93	17			0
157	Total Sold Services	Cr 18	Cr 17	62	79		0	0

Reconciliation of Final 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
Virement from Programmes and Strategy Divisions to Childrens Social Care		250
Merit awards		55
Revised EDT Recharge - Controllable		98
Revised EDT Recharge - Non-Controllable	Cr	98
Bromley Welcare		
- expenditure		29
- income	Cr	29
Non Recurring Expendiure (YOS)		
- expenditure		97
- income	Cr	97
Tackling Troubled Families		
- expenditure		291
- income	Cr	291

Memorandum Items:

Capital Charges		51
Insurance	Cr	23
Rent income	Cr	15
Repairs & Maintenance	Cr	3
IAS19 (FRS17)		3,234
Excluded Recharges		397

Final Approved Budget for 2018/19**54,334**

REASONS FOR VARIATIONS

1. Adult Education - Dr £84k

The Adult Education service has overspent by £84k for the year. The main pressure areas for the service is £163k for staffing costs to provide required courses and preparing for the OFSTED inspection that is due in the near future. There is also an under collection of income of £17k as compared to the baseline budget.

There is an underspend on the running costs (£96k) that is partially offsetting the on-going pressures.

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

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 £20k for the year.

These overspends have been offset by the current staffing underspends of £58k that are mainly due to vacant posts.

There also is an underspend on the running costs of £15k and an over collection of income mainly from Academies of £11k.

The Council also received a School Improvement Grant which it has utilised in year across the Education function (£76k).

3. Access & Inclusion - Dr £122k

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 has been an overspend of £20k on the cost for transporting mainstream children to their school.

There has been an overspend of £47k on Management and Admissions during the year. This is mainly due to the use of agency staff.

This area also looks after the main Education IT system. The maintenance and upkeep of the software has produced a £10k overspend for the year.

There is a small overspend on the running costs of £6k that is offsetting the on-going pressures.

4. Schools Budgets (no impact on General Fund)

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

There is a final underspend in DSG of £1,481k in 2018/19. This will be added to the £1,180k brought forward from 2017/18. The 2017/18 brought forward figure has had to be adjusted by the Early Year funding adjustment which has reduced the amount of DSG we received in 2018/19 by £166k. This gives us a final DSG balance of £2,495k at the end of the financial year to be carried forward. 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 which will in effect be the first call of the total carried forward sum. Without the £788k funding LBB would only be carrying forward £1,707k into 2019/20

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

The bulge class budget has underspent by £748k for this financial year. Additionally the council has spent £18k on modular classroom rentals during the year.

Free Early Years Education has underspent by £321k this year. The budget for the 2 year old children is overspent by £120k and this is being offset by an underspend for 3 & 4 years old children (both for the first 15 and the new additional 15 hours) of £441k. there is also a £40k underspend in the nursery funding paid to Schools.

The Free Early Years Education has underspent 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 publishing 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.

Additional in the Early Years spend there is an underspend of £34k relating to the Disability Access Fund (DAF). In previous years DfE has agreed that any underspends are to be spent in the following year on DAF related items. It has not been confirmed yet how this underspend is to be treated in the new year.

There is an underspend of £18k 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 Home and Hospital service has overspent by £303k during the year. This is due to the splitting out of the Nightingale School from the service and additional costs relating to the a higher than expected number of children the are seeing. The Home and Hospital service is in the process of being reviewed and this is expected to be completed in 2019/20.

There is an underspend of £116k 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 had an underspend by £77k due to lower than expected costs in supporting pupils access vocational courses.

The management costs in the Education area were £30k underspent for the year. The underspend was mainly in running costs.

There was an overspend of £71k for various ad-hoc payments the council has made to support maintained schools and offer them support when they have issues.

There was an underspend of £45k in the Priority Schools Action Group (PSAG) funding budget.

There is an overspend of £54k relating to the Secondary School Pupil Referral income.

There was an underspend of £940k on payments made to Special School and Schools with Units during the year. The estimated numbers of places was higher than the actual number funded places. This is subsumed into the overall high needs SEN budget

SEN placements are projected to overspend by a total of £245k. The overspend is being caused by the Maintained Day (£912k), Matrix funding (£353k) and Alternative Programmes (£397k). These overspends are then offset by underspends on Independent Boarding Schools (£640k), Maintained Boarding Schools (£298k) and Independent Day (£392k). There are additionally other running cost underspends and over collection of income totalling £87k.

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 has overspent by £106k this year. This is due to the costs of placing clients with Independent Further Education providers.

The DSG funded element of SEN Transport is projected to overspend by £81k due to the new routes that were established in the last year. The level of spend in this area has been lower in previous years. Due to the current funding regulations LBB are not permitted to increase this budget from the previous years allocation.

The High Needs Pre-School Service has held a number of posts vacant during the year resulting in a £126k underspend. There are not currently any plans to recruit to these posts as there is an on-going review of the service. This underspend is being offset by the loss of rental income during the year of £138k, and the pressure relating to the rental cost of the building the service is in (£40k) and is therefore causing an overall pressure of £52k.

The Sensory Support Service is overspent by £63k. This is due to staffing costs overspending by £17k and running costs (including use of agency and Business Rates) over spending by £46k

The SIPS, Outreach & Inclusion and Specialist Support Services have both underspent during the year. Most of the underspend relates to lower than expected staffing costs, but there is also a small amount that relates to running costs that have not been incurred during the year. The total of all of these underspends is a £211k. These are then being offset by an overspend in the Darrick Wood Hearing Units and the Complex Needs team (totalling £148k) to give a net underspend of £63k.

There is also a total small balance of overspends of £42k.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Bulge Classes	-748	0	-748	0	0
Classroom Hire	18	0	18	0	0
Free Early Education - 2 year olds	-441	0	0	-441	0
Free Early Education - 3 & 4 year olds (Ir	120	0	0	120	0
School Nursery	-40	0	0	-40	0
DAF	-34	0	0	-34	0
Primary Support Team	-18	0	0	0	-18
Home & Hospital	303	303	0	0	0
Pupil Support Services	-116	-116	0	0	0
Behaviour Support	-77	-77	0	0	0
Education Management Costs	-30	0	0	0	-30
Schools Specific Contingencies	71	0	0	0	71
PSAG	-45	0	0	0	-45
Secondary Central - Pupil Referral	54	54	0	0	0
Payments to Special Schools	-940	-940	0	0	0
Other Small Balances	-18	0	-7	-6	-5
SEN:					
- Placements	245	245	0	0	0
- Support in FE colleges	106	106	0	0	0
- Transport	81	81	0	0	0
- High Needs Pre-school Service	52	52	0	0	0
- Sensory Support	63	63	0	0	0
- SIPS	-77	0	0	-77	0
- Darrick Wood Hearing Unit	98	98	0	0	0
- Complex Needs Team	50	50	0	0	0
- Outreach & Inclusion Service	-56	-56	0	0	0
- Early Support Programme	-78	-78	0	0	0
- Other Small SEN Balances	-24	-24	0	0	0
Total	-1,481	-239	-737	-478	-27

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.

5. Other Strategic Functions - Cr £68k

There was an underspend of £68k on the running costs during the year

6. Children's Social Care - Dr £3,204k

The outturn for the Children's Social Care Division was an overspend of £3,204k, an increase from the overspend reported for December, which was £3,051k. 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 has helped contain the rate of the increase in the numbers.

Bromley Youth Support Programme - Cr £65k

The BYSP budget underspent by £65k, this can be analysed as follows:

- Youth Service - Dr £4k

Minor variances across the Youth Service resulted in a small overspend of £4k.

- Business Partnerships - Dr £3k

Minor variances across the Business Partnerships service resulted in a small overspend of £3k.

- Youth Offending Team - Cr £72k

Staffing underspent by £44k during a period of re-organisation which has now been completed. Additional income was also received from Health in 2018-19 which accounted for the additional underspend.

Early Intervention & Family Support - Cr £192k

There was an underspend in this area of £192k. The Children's Centres underspent by £67k on salaries and running costs and the commissioning of services for users of the centres. There was also an underspend on the Family Support and Contact Centres of £125k for salaries, premises and other running costs pending a review of the service.

CLA and Care Leavers - Dr £224k

Expenditure relating to the 'Staying Put' grant, where care leavers can remain with their foster carers after the age of 18, continues to overspend on the budget. The budget was realigned for 2018/19 within available resources, however there was an overspend of £133k as increasing number of young people choose this option at the age of 18.

Offsetting this is there was an underspend on direct accommodation support to looked after children (net of housing benefit) of £54k after allowing for an increase in the potential number of personal charges to be met by revenue.

Additionally, at year end, there has been an overspend of £145k against the budget for services for the educational support of Looked After Children (Virtual School) as statutory responsibilities have widened during the year.

Fostering, Adoption and Resources - Dr £3,006k

The budget for children's placements overspent by £3,006k this year. This amount is analysed by placement type below.

- Community Homes / Community Homes with Education - Dr £355k
- Boarding Schools - Dr £123k
- Secure Accommodation & Youth on Remand - Dr £63k
- Fostering services (IFAs) - Dr £1,132k
- Fostering services (In-house, including SGO's and Kinship) - Dr £526k
- Adoption placements - Dr £304k
- Outreach Services - Dr £552k
- Transport Costs - Cr £49k

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

Referral and Assessment Service - Cr £179k

The main variance relates to services to families with No Recourse to Public Funds (NRPF) status, which underspent by £179k after allowing for additional costs for translation services. 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 £280k

The budget for pre-court work in preparation for care proceedings (PLO) underspent by £323k, particularly in the area of community and residential parenting assessments. Overspends of £43k were incurred in the year for additional support to families through Preventative Payments (Section 17 payments) and the use of translation services.

Safeguarding and Care Planning West- Dr £210k

Services for Children with Disabilities overspent by £295k this year. This is made up of an overspend of £445k in relation to Direct Payments and Care Initiatives, offset by an underspend of £5k on transport and £173k on group based short breaks. There was also an overspend of £28k for signing services for deaf children.

There were also overspends of £39k in the year for additional support to families through Preventative Payments (Section 17 payments) (Dr £39k), the use of translation services (Dr £23k) and an underspend (Cr 35k) on Nursery provisions.

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 £480k

The variation of £480k overspend in this area relates solely to staffing and the additional cost of the annual Recruitment and Retention payments, other recruitment costs and staff travel.

7. Sold Services (net budgets)

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

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually. Since the last report to the Executive, there has been one waiver in the Education area with an annual value of less than £30k. In Children's Social Care there were 3 waivers agreed for placements of between £50k and £100k and 10 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 Services Portfolio Budget Monitoring Summary

2017/18 Actuals £'000	Service Areas	2018/19 Original Budget £'000	2018/19 Final Approved £'000	2018/19 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT COMMUNITY SERVICES PORTFOLIO							
	Street Scene & Green Spaces							
5,071	Parks and Green Spaces	5,231	5,361	5,328	Cr 33	1	Cr 17	0
243	Street Regulation and Enforcement incl markets	352	357	368	11	2	6	0
16,930	Waste Services	18,120	17,715	17,096	Cr 619	3	Cr 331	0
4,103	Street Environment	4,414	4,409	4,289	Cr 120	4	Cr 100	0
907	Management and Contract Support	1,085	1,291	1,172	Cr 119	5	Cr 71	0
801	Trees	749	750	802	52	6	0	0
28,055		29,951	29,883	29,055	Cr 828		Cr 513	0
	Transport Operations and Depot							
706	Transport Operations and Depot Management	701	532	527	Cr 5		0	0
706		701	532	527	Cr 5		0	0
	Transport & Highways							
286	Traffic & Road Safety	324	330	234	Cr 96	7	Cr 105	0
Cr 7,893	Parking	Cr 7,119	Cr 7,419	Cr 7,499	Cr 80	8 - 13	54	0
6,589	Highways (including London Permit Scheme)	6,689	6,521	6,175	Cr 346	14	Cr 125	0
Cr 1,018		Cr 106	Cr 568	Cr 1,090	Cr 522		Cr 176	0
27,743	TOTAL CONTROLLABLE	30,546	29,847	28,492	Cr 1,355		Cr 689	0
6,601	TOTAL NON-CONTROLLABLE	6,195	4,378	4,378	0		14	0
2,323	TOTAL EXCLUDED RECHARGES	2,540	2,618	2,618	0		0	0
36,667	PORTFOLIO TOTAL	39,281	36,843	35,488	Cr 1,355		Cr 675	0

Reconciliation of Final 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
Additional Income & Saving opportunity (AMEY)	Cr 181
Merit Award	25

Other

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

Final Approved Budget for 2018/19 38,547

Memorandum Items

Insurance	Cr 8
IAS19 (FRS17)	616
Past service cost	Cr 47
Repairs & Maintenance	Cr 188
Capital Charges 5802	316
Deferred Charges (REFCUS) 5804	Cr 73
Impairment 5806	Cr 1,065
Gov Grants Deferred 5807	Cr 560
Rent Income	17
Excluded Recharges	158
Finance Lease: Payment	Cr 657
Finance Lease: Finance cost	Cr 213

Reported Latest Approved Budget for 2018/19 36,843

REASONS FOR VARIATIONS

1. Parks and Green Spaces Cr £33k

Overall Parks and Green Spaces has a net underspend of £33k. £24k additional income was received from floral bedding sponsorship and there was a minor underspend of £9k across supplies and services.

2. Street Regulation and Enforcement incl markets Dr £11k

Additional enforcement work was carried out by Ward Security totalling £63k to partly cover for in-year vacancies (Cr £38k). Other minor underspends totalled £14k.

3. Waste Services Cr £619k

Although overall tonnage was only 200 tonnes below the current budgeted tonnage, over 2,400 more tonnes were recycled which has resulted in reduced costs of £171k. However, disposal costs of £77k were incurred for the removal and disposal of some dumped trailers during the year, so the net underspend for waste disposal was £94k.

Recycling income was £71k above budget. This was due to an increase in the market price of textiles and iron, as well as an increase in paper tonnage (687 tonnes).

Across the garden waste collection services, there was an underspend of £326k. This included an underspend of £232k related to a lower use of the sixth vehicle during the year, partly offset by additional expenditure of £21k mainly from the purchase of extra containers. A net increase in the number of wheelie bin customers in 2018/19 has resulted in extra income of £115k.

A reduction in tonnage received over the weighbridge from trade customers during the year has resulted in a reduction in income of £76k from trade waste delivered.

Within trade waste collection there was a shortfall of income of £53k, mainly due to a higher customer dropout compared to the level expected.

During the year several outstanding invoices for trade waste collection services were settled and therefore an amount of £70k has been released from the provision for bad debts.

There was a net underspend of £70k on the refuse collection contract, mainly due to a lower volume than expected on the variable elements including collection of trade bulk containers, clinical waste collections and emptying of recycling banks. This has offset the £31k cost for purchasing additional trade waste, domestic and recycling containers.

Following agreement of the 2017/18 and 2018/19 level of defaults, a total credit of £80k was received.

The Coney Hill contract has underspent by £18k as the cost of upgrading the monitoring system was lower than expected.

Additional works valued at £93k have been 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 variations across the waste service total Cr £23k.

A request is being made to the Executive to carry forward the £120k set aside for developing a direct debit system for the Green Garden Waste (GGW) service. 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 GGW service will not start until April 2019.

Summary of overall variations within Waste Services

	£'000
Waste disposal costs	Cr 94
Additional income from sale of recycling materials	Cr 71
Green Garden waste service	Cr 326
Shortfall in trade waste delivered income	76
Trade waste collected income	53
Release of bad debt provision for trade waste collected income	Cr 70
Coney Hill monitoring system	Cr 18
Underspend on refuse collection contract	Cr 70
Defaults received for the waste contract	Cr 80
Purchase of waste containers	31
Mobilisation of the Environment contract	93
Other minor underspends	Cr 23
C/f of underspend re. GGW system to accept direct debit payments	Cr 120
Total variation for Waste Services	<u>Cr 619</u>

4. Street Environment Cr £120k

A reduction on the amount of reactive graffiti removal works required during the year has resulted in an underspend of £80k.

Due to a dry summer and a lower volume of cyclical cleansing than expected, there was £97k underspend on the gully and soakaways cleaning contracts. This was used to fund £73k additional works on fly tipping campaigns and enforcement, instead of drawing down funding from the earmarked reserve set aside for Members' Initiatives.

Other minor variances totalled Cr £16k.

Summary of overall variations within Street Environment:

	£'000
Reduction in reactive graffiti removal works	Cr 80
Underspend on gully and soakaways cleaning contracts	Cr 97
Additional works on fly tipping	73
Other minor variances	Cr 16
Total variation for Street Environment	Cr 120

5. Management and Contract Support Cr £119k

Part year vacancies have resulted in £101k underspend on the staffing budget.

On 21 May 2018, Members approved a carry forward request of £80k from 2017/18 to fund additional administrative support during the evaluation and mobilisation of the new Environment contract. £50k of which was allocated for the provision of technical support and specialist advice, however only costs of £15k were incurred which has resulted in an underspend of £35k.

There was a minor overspend of £17k across supplies and services.

6. Tree Dr £52k

The arboriculture service budget has overspent by £52k due to callouts and health and safety remedial works associated with the stormy weather.

7. Traffic & Road Safety Cr £96k

Additional income of £102k was received from road closure charges, mainly due to additional applications from Utility companies to carry out infrastructure works. It should be noted that it is not expected that the Utilities companies will submit this volume of applications in future years. Other minor variations totalled Dr £6k.

Parking**8. Income from Bus Lane Contraventions Cr £244k**

There was a net surplus of £146k on the redeployable automated cameras in bus lanes for 2018/19 due to a higher number of contraventions than expected. It is unlikely that this level of activity will continue in 2019/20, as it is anticipated that the number of contraventions in bus lanes will reduce in the future due to increased compliance. An additional £98k income was received from PCNs issued in previous years.

9. Off/On Street Car Parking Dr £121k

Overall there was a net overspend of £121k for Off and On Street parking.

There was a deficit of £165k for Off and On Street Parking income. This was mainly due to a continued downward trend in parking usage, in particular for the on street bays & multi-storey car parks. This deficit included the delay with the roll out of additional On Street Parking bays.

Additional income of £42k was received from cashless parking fees, as the use of this service continues to grow.

During 2018/19, £7k defaults were applied to the contract relating to the management of On & Off Street Parking.

£19k extra income was received from the suspension of existing parking restrictions. This partly offset other minor overspends across the service totalling £24k.

The table below summarises the variations for Off and On Street Car parking: -

Summary of variations within Off/On Street Car Parking	OFF ST £'000	ON ST £'000	Total £'000
Off/On Street Car Parking income	32	133	165
Less additional Ring Go fees	Cr 15	Cr 27	Cr 42
Level of Defaults applied to contract	Cr 5	Cr 2	Cr 7
Bay Suspensions		Cr 19	Cr 19
Other minor variations	15	9	24
Total variations within Off/On Street Parking	27	94	121

10. Permit Parking Cr £15k

There was a minor underspend of £15k across Permit Parking, mainly due to additional permit income,. This is a slightly lower increase than previously projected in December 2018.

11. Disabled Parking Cr £16k

The variation of £16k for Disabled Parking was mainly due to an underspend on costs of issuing / renewal of Blue Badges.

12. Car Parking Enforcement Dr £211k

There was a net deficit of £406k from PCNs issued by APCOA in 2018/19. This was 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.

A reduction in contraventions from CCTV enforcement cameras around Schools has resulted in a shortfall of income of £20k.

Defaults applied to the Enforcement contract totalled £113k, which partly offsets the income variation. £40k of this amount related to defaults for 2017/18.

There was an underspend of £24k on credit card commission and debt collection costs, as a direct result of the reduction of contraventions .

Additional income of £48k was received from PCNs issued in previous years.

Other minor underspend across supplies and services totalled £30k.

Summary of variations within Car Parking Enforcement:	£'000
PCNs issued by wardens	406
PCNs issued from CCTV enforcement camera	20
APCOA Enforcement defaults	Cr 113
Credit card commission and Debt collection costs	Cr 24
Additional income from PCNs issued in previous years	Cr 48
Other net variations	Cr 30
Total variations within Car Parking Enforcement	211

13. Parking Shared Services Cr £137k

There was a net underspend of £137k on the Parking Shared Service. £17k of which was due to the recent review of the split of costs based on activity levels between LB Bromley and LB Bexley. The remaining underspend of £120k was mainly due to part year vacancies.

Summary of overall variations within Parking:	£'000
Bus Routes Enforcement	Cr 244
Off Street Car Parking	27
On Street Car Parking	94
Permit Parking	Cr 15
Disabled Parking	Cr 16
Car Parking Enforcement	211
Parking Shared Services	Cr 137
Total variation for Parking	Cr 80

14. Highways (Including London Permit Scheme) Cr £346k

Overall the Highways service has a net underspend of £346k for 2018/19. In year staff vacancies have led to an underspend of £33k on staffing budgets and there was a £20k underspend on car allowances and leased cars.

Within NRSWA income, there was a net surplus of £59k, mainly due to an increase in the number Section 74 Notices.

As a result of successful debt recovery processes, income was received from some outstanding debts relating to NR&SWA and therefore £36k was released from the bad debt provision.

The winter service budgets were £184k underspent, essentially due to the relatively mild winter and lack of snowfall. In addition, the salt budget for snow friends has underspent by £28k.

There was an overspend of £63k on the Street Lighting electricity budget. This was due to a combination of increased energy tariffs and additional usage. The extra usage was largely the result of the LED street lights being temporarily on during the daytime in March 19, as the company controlling the LED system went into administration.

A total of £19k was received from vehicles that were sold at commercial vehicle auctions during the year.

Other minor variations across the service totalled Cr £30k.

Summary of Variations within Highways	£'000
Staff vacancies	Cr 33
Car allowances and leased cars	Cr 20
Additional NR&SWA income	Cr 59
Release of bad debt provision	Cr 36
Underspend on Winter service budget	Cr 184
Snow friends materials	Cr 28
Additional electricity cost on Street lighting	63
Receipts from commercial vehicle auctions	Cr 19
Other minor underspend	Cr 30
Total variations within Highways:	Cr 346

Waiver of Financial Regulations:

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

£315.8k to procure additional traffic enforcement CCTV cameras around schools and 5 years extension on the contract for the provision of software maintenance licence for CCTV traffic Enforcement cameras; £668k cumulative contract value.

Virements Approved to date under Director's Delegated Powers

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

Public Protection & Enforcement Budget Monitoring Summary

2017/18 Actuals £'000	Service Areas	2018/19 Original Budget £'000	2018/19 Final Approved £'000	2018/19 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Public Protection							
138	Community Safety	151	152	128	Cr 24	1	Cr 12	0
96	Emergency Planning	115	121	95	Cr 26	2	Cr 27	0
447	Mortuary & Coroners Service	485	485	534	49	3	50	0
1,265	Public Protection	1,673	1,725	1,480	Cr 245	4	Cr 230	0
1,946	TOTAL CONTROLLABLE	2,424	2,483	2,237	Cr 246		Cr 219	0
250	TOTAL NON CONTROLLABLE	11	281	281	0		0	0
391	TOTAL EXCLUDED RECHARGES	428	492	492	0		0	0
2,587	PORTFOLIO TOTAL	2,863	3,256	3,010	Cr 246		Cr 219	0

Reconciliation of Final 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
Merit Award		5

Final Approved Budget for 2018/19 **2,922**

Memorandum Items

Insurance	Cr	1
IAS19 (FRS17)		293
Past service cost	Cr	23
Capital Charges 5802		1
Excluded Recharges		64

Reported Latest Approved Budget for 2018/19 **3,256**

REASONS FOR VARIATIONS

1. Community Safety Cr £24k

Overall there was an underspend of £24k across the Community Safety budgets, mainly due to part year vacancies.

2. Emergency Planning Cr £26k

Part year vacancies have resulted in an underspend of £26k.

3. Mortuary and Coroners Service Dr £49k

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 was no longer required.

Based on the latest cost information provided by LB Croydon, the core cost for Bromley for 2018/19 was overspent by £22k. This was mainly due to additional security costs and I.T. upgrades. There were also additional one-off costs of £82k, due to large inquests. This included additional counsel and legal costs for the Butler case, Jasper case, and Cooper McDermott case.

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)	104
Total variations on Mortuary and Coroners Service	<u>49</u>

4. Public Protection Cr £245k

In May 2018, Members approved a carry forward request of £67k relating to additional resources for the temporary fixed term Food Safety officers. Delays with recruitment and part year vacancies have resulted in a further underspend of £96k. In total, £163k 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.

In year staff vacancies for permanent staff have led to an underspend of £28k and there was a £22k underspend on car allowance and lease cars. This was partly offset by £37k for works on Food Safety 'Pay as you go' inspections.

Across Public Protection, there was an overspend of £38k on staff training. This included additional training courses on Advanced Certificate in Investigative Practice (ACIP), to ensure that all investigations are of a consistent 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 were non Vatable, £25k of the provision was no longer required.

Additional income of £65k was received, mainly on licence fees and licences relating to Homes in Multiple Occupation.

In 2017/18 the Council was awarded a sum of £144.4k from the Proceeds of Crime Act prosecution as part of the Asset Recovery Incentivisation Scheme, and £59.8k of this sum was allocated to the Trading Standard Service. On 28th March 2018, Executive approved the request to carry forward the balance of £48.1k on both the income and expenditure budget from 2017/18 for works that were planned to be undertaken by Trading Standards in 2018/19, on behalf of the Planning sections. £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. A carry forward request for both the £48.1k income and expenditure budget will be submitted to the Executive.

Other various minor underspends across supplies and services totalled £17k.

Summary of variations on Public Protection

	£'000
Fixed term Food Safety officers (c/f request)	Cr 163
Staff vacancies for permanent staff	Cr 28
Underspend on lease car and car allowance	Cr 22
Food Safety 'Pay as you go' inspections	37
Additional staff training costs	38
Release of provision no longer required on VAT liabilities	Cr 25
Surplus of income licences	Cr 65
Other minor variations	Cr 17
Total variations on Public Protection	<u>Cr 245</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 Final Approved £'000	2018/19 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT								
Planning								
Cr 7	Building Control	82	81	Cr 11	Cr 92	1	Cr 83	0
Cr 140	Land Charges	Cr 126	Cr 124	Cr 127	Cr 3	2	Cr 1	0
764	Planning	736	724	844	120	3	162	0
850	Renewal	801	932	733	Cr 199	4	Cr 226	0
1,467		1,493	1,613	1,439	Cr 174		Cr 148	0
Recreation								
1,686	Culture	1,786	1,908	1,923	15	5	10	0
5,784	Libraries	5,030	4,881	4,859	Cr 22	6	Cr 13	0
219	Town Centre Management & Business Support	189	170	132	Cr 38	7	Cr 8	0
7,689		7,005	6,959	6,914	Cr 45		Cr 11	0
ECS - Housing								
194	Housing Improvement	203	203	188	Cr 15	8	Cr 17	0
194		203	203	188	Cr 15		Cr 17	0
9,350	Total Controllable ECS DEPT	8,701	8,775	8,541	Cr 234		Cr 176	0
Cr 814	TOTAL NON CONTROLLABLE	2,542	1,421	1,421	0		7	0
2,466	TOTAL EXCLUDED RECHARGES	1,857	1,978	1,978	0		0	0
11,002	Total ECS DEPARTMENT	13,100	12,174	11,940	Cr 234		Cr 169	0
EDUCATION, CARE & HEALTH SERVICES DEPARTMENT								
Operational Housing								
913	Supporting People	1,013	1,013	939	Cr 74	9	Cr 74	Cr 94
8,074	Housing Needs	6,241	8,733	8,784	51	10	33	521
0	Enabling Activities	Cr 1	Cr 1	0	1		0	0
Cr 1,838	Housing Benefits	Cr 1,984	Cr 1,484	Cr 1,149	335	11	281	0
7,149	Total Controllable ECHS DEPT	5,269	8,261	8,574	313		240	427
789	TOTAL NON CONTROLLABLE	286	423	423	0		0	0
3,209	TOTAL EXCLUDED RECHARGES	3,675	3,677	3,677	0		0	0
11,147	Total ECHS DEPARTMENT	9,230	12,361	12,674	313		240	427
22,149	PORTFOLIO TOTAL	22,330	24,535	24,614	79		71	427

Reconciliation of Final 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
Additional Homelessness Prevention Grant Allocation	89
Additional Homelessness Prevention Grant Allocation	Cr 89
Universal Credit - Claimant Fault Overpayment Recoveries	500

Other

R&M - Fire Risk Assessments & Cyclical Maintenance	Cr	21
Customer Relations Officer post	Cr	4
Strategic and Business Support Services restructure	Cr	3
Merit Award		27

Final Approved Budget for 2018/19**25,372****Memorandum Items**

Insurance	Cr	60
IAS19 (FRS17)		839
Past service cost	Cr	65
Repairs & Maintenance		292
Capital Charges 5802	Cr	1,440
Deferred Charges (REFCUS) 5804		3,898
Impairment 5806	Cr	3,493
Gov Grants Deferred 5807	Cr	938
Rent Income		4
Excluded Recharges		126

24,535

REASONS FOR VARIATIONS

1. Building Control Cr £92k

Within the chargeable account for Building Control, there was an income deficit of £164k. This was partly offset by an underspend within salaries of £150k arising from reduced hours being worked and vacancies. Other minor underspends total £4k. In accordance with Building Account Regulations, the net deficit for 2018/19 of £10k has been carried forward into 2019/20 via the earmarked reserve for the Building Control Charging Account. The cumulative balance on this account is therefore now £192k, taking into consideration the opening balance of £202k at the start of 2018/19.

Within the non-chargeable service, as a result of delays in appointing to vacant posts, there was an underspend of £84k on staffing and an minor underspend of £8k on supplies and services.

2. Land Charges Cr £3k

There was an income deficit of £34k within the Charging Account. This was partly offset by underspends on staffing and running expenses of £18k. The net deficit of £16k has been carried forward into 2019/20 via the earmarked reserve for the Land Charges Account. The cumulative balance on this account is now a deficit of £26k, taking into consideration the opening balance of a £10k deficit at the start of 2018/19. To address this, officers have implemented a price increase for 2019/20.

There was an underspend of £3k on the Non-Chargeable budget mainly due to part year vacancies.

3. Planning Dr £120k

Income from non-major planning applications was £160k under budget for 2018/19. For information, actual income received in 2018/19 was £30k lower compared to 2017/18. As the housing target is set to increase under the new London plan, it is likely that the smaller developers were delaying submitting applications until the plan comes into effect in 2019/20.

For major applications, £560k was received in 2018/19, which was £260k above budget. Actual income was £204k more than that received for 2017/18.

Income from pre-applications was £27k below budget for 2018/19. This was due to a combination of reduced fees and a reduction in the number of schemes submitted. If the income continues to drop, officers will have to consider changing the pricing structure.

There was a net overspend of £194k for the cost of consultancy and legal 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 net variations total Dr £1k across the planning service.

Summary of variations within Planning:		£'000
Shortfall of income from non-major applications		160
Surplus of income from major applications	Cr	260
Deficit of income from pre-application meetings		27
Consultancy costs on major appeals		194
Other minor variations	Cr	1
Total variation for Planning		120

In 2017/18 the Council was awarded a sum of £144.4k from the Proceeds of Crime Act prosecution as part of the Asset Recovery Incentivisation Scheme, and £84.6k of this sum was allocated to the Planning Service. Both the income and expenditure budget was carried forward from 2017/18 in order to carry out works on asset recovery, crime reduction and community projects. The cost of the works undertaken during 2018/19 have been funded from underspends elsewhere in the Planning Division, enabling the funding to be carried forward for another year. A carry forward request for both the £84.6k income and expenditure budget will be submitted to the Executive.

4. Renewal Cr £199k

Part year vacancies have resulted in a £172k underspend on staffing. This has been used to offset extra costs of £39k on consultancy and legal fees for the public enquiries, following the submission of the London Plan, and £28k for Local Plan Implementations.

There was an underspend of £94k on the Town Centre Development Works funded by the New Homes Bonus. The GLA have agreed the re-profile of spend and therefore a request will be submitted to the Executive to carry forward the NHB unspent balance, in order to complete the specific projects.

£30k Custom Build grant was carried forward from 2017/18 due to late notifications from DCLG, as approved by Executive on 21 May 2018. In March 2019, notification was received from DCLG that the Council had been awarded an additional £30k Custom Build grant. The majority of the work funded from these grants will follow on from the Local Plan. Due to a lengthy public examination including legal challenges, the plan was eventually adopted much later than expected in January 2019, which resulted in the works being delayed. A request will be submitted to the Executive to carry forward these grants in order to carry out the works in the next financial year.

Summary of variations within Renewal:

£'000

Staff vacancies	Cr	172
Consultancy and legal fees for public enquiries		39
Additional cost for Local Plan implementation		28
Underspend on projects funded by NHB (carry forward request)	Cr	94
Total variation for Renewal	Cr	199

5. Culture Dr £15k

Overall Culture services have a net overspend of £15k. There was an underspend of £26k on staffing as a result of 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 resulted in an overspend of £18k, which has been offset by underspends elsewhere within the Recreation division.

Additional costs of £30k were incurred for surveys, valuation and legal works relating to the Leisure service lease proposal with Mytime Active. Other minor underspends total £7k.

Summary of variations within Culture:

£'000

Staff vacancies	Cr	26
Inflation on Mytime contract		18
Additional costs relating to Leisure service lease proposal		30
Other minor net underspends	Cr	7
Total variation for Culture		15

6. Libraries Cr £22k

The Library service has a net underspend of £22k. This includes a £44k underspend on staffing due to flexible retirement, which was partly offset by an overspend of £22k across premises and supplies and services budgets. This was mainly 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 £38k

There was an overall £38k underspend for Town Centre Management & Business Support.

The Penge and Orpington town centre schemes were underspend by £23k. Both of these projects are funded from the New Home Bonus, and the GLA have agreed the re-profile of spend. A request will be submitted to Executive for approval to carry this amount forward, in order to complete the specific projects.

In addition, the £22k underspend on staffing due to a vacancy was partly offset by an £7k overspend on supplies and services.

8. Housing Improvement Cr £15k

Part year vacancies have resulted in an underspend of £16k, and other minor variations total Dr £1k.

9. Supporting People Cr £74k

There is an underspend of £74k in the Supporting People budget as a result of contract negotiation savings.

10. Housing Needs Dr £51k

There is a final overspend of £163k in Temporary Accommodation budgets. 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 929 - an increase of 33 during the year. This is 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 35% in December to now just under 37%.

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 1,560 clients in Temporary Accommodation.

Offsetting the increased costs of Temporary Accommodation area is an underspend on homelessness prevention work of £156k.

The Travellers budget is overspent by £44k and this is due to one of the sites experiencing high use of utilities and maintenance costs (£27k) due to the site not having meters, and loss of income (£27k) due to particular residents rent arrears. This is being offset by a £10k underspend on staffing due to staff vacancies earlier in the year.

There has been a reduction of income relating to the Choice Based Letting advertising (£27k) due to Housing Associations not requesting to advertise properties on this platform, which has been offset by a reduction in the running costs of £48k. This has given a net underspend for the year of £21k.

The remaining £21k overspend is various staffing and running costs variations.

Summary of overall variations within Housing:		£'000
Temporary Accommodation		99
Increase in Bad Debt Provision		252
Homelessness Prevention	Cr	156
Travellers Sites		44
Furniture Storage	Cr	104
Choice Based Letting	Cr	21
Housing Benefit		147
New Housing System		49
Other Costs		3
Total variation for Housing		313

11. Housing Benefits Dr £335k

Following the end of year review of the Bad Debt Provision, it has been identified that the provisions needed to be increased by £188k more than the budget for the year to cover the increase in unrecoverable benefit. The remaining overspend mainly relates to the overpayment subsidy being lower than budgeted.

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 Final Approved £'000	2018/19 Provisional 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	220	224	4		Cr 2	0
6,583	Exchequer - Revenue & Benefits	7,137	6,647	6,462	Cr 185	1	Cr 209	0
1,564	Exchequer - Payments & Income	1,623	1,856	1,867	11	2	Cr 16	0
623	Financial Accounting	520	525	407	Cr 118	3	Cr 66	0
1,464	Management Accounting	1,666	1,672	1,528	Cr 144	4	Cr 143	0
706	Audit	700	700	642	Cr 58	5	Cr 3	0
11,148	Total Financial Services Division	11,862	11,620	11,130	Cr 490		Cr 439	0
	CORPORATE SERVICES DIVISION							
4,545	Information Systems & Telephony	4,746	5,219	4,809	Cr 410	6	Cr 330	0
	Legal Services & Democracy							
305	Electoral	353	920	933	13	7	18	0
1,355	Democratic Services	1,419	1,440	1,406	Cr 34	8	Cr 40	0
1,960	Legal Services	1,687	1,861	2,054	193	9	81	70
131	Management and Other (Corporate Services)	178	131	127	Cr 4		1	0
8,296	Total Corporate Services Division	8,383	9,571	9,329	Cr 242		Cr 270	70
	HR AND CUSTOMER SERVICES DIVISION							
1,828	Human Resources	2,056	2,024	1,836	Cr 188	10	Cr 137	0
	Customer Services							
Cr 978	Customer Services Centre	1,022	1,024	1,024	0		6	0
Cr 108	Registration of Births, Deaths & Marriages	Cr 72	Cr 47	Cr 57	Cr 10		0	0
2,698	Total HR & Customer Services Division	3,006	3,001	2,803	Cr 198		Cr 131	0
	COMMISSIONING AND PROCUREMENT DIVISION							
670	Procurement and Data Management	663	520	514	Cr 6		Cr 34	0
820	Commissioning	893	579	583	4		31	0
101	Debt Management System	0	0	0	0		0	0
1,591	Total Commissioning & Procurement Division	1,556	1,099	1,097	Cr 2	11	Cr 3	0
	CHIEF EXECUTIVE'S DIVISION							
125	Comms	128	129	129	0		0	0
684	Management and Other (C. Exec)	726	682	657	Cr 25		Cr 28	0
148	Mayoral	153	153	141	Cr 12		Cr 3	0
957	Total Chief Executive's Division	1,007	964	927	Cr 37	12	Cr 31	0
	CENTRAL ITEMS							
3,047	CDC & Non Distributed Costs (Past Deficit etc.)	3,907	3,907	3,461	Cr 446	13	Cr 388	0
11,197	Concessionary Fares	11,390	11,390	11,374	Cr 16		0	0
38,934	TOTAL CONTROLLABLE CE DEPT	41,111	41,552	40,121	Cr 1,431		Cr 1,262	70
Cr 3,037	TOTAL NON CONTROLLABLE	1,015	Cr 636	Cr 636	0		0	0
Cr 15,386	TOTAL EXCLUDED RECHARGES	Cr 16,478	Cr 16,373	Cr 16,373	0		0	0
20,511	TOTAL CE DEPARTMENT	25,648	24,543	23,112	Cr 1,431		Cr 1,262	70
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
2,581	Admin Buildings & Facilities Support	2,670	2,424	2,247	Cr 177	14	Cr 85	0
123	Investment & Non-Operational Property	299	663	604	Cr 59	15	Cr 99	0
1,086	Strategic & Operational Property Services	1,122	1,114	1,091	Cr 23	16	Cr 1	0
295	TFM Client Monitoring Team	365	548	458	Cr 90	17	Cr 20	0
Cr 688	Other Rental Income - Other Portfolios	Cr 778	Cr 626	Cr 658	Cr 32	18	Cr 25	0
1,978	Repairs & Maintenance (All LBB)	2,008	2,094	2,094	0		0	0
5,375	TOTAL CONTROLLABLE ECS DEPT	5,686	6,217	5,836	Cr 381		Cr 230	0
Cr 36	TOTAL NON CONTROLLABLE	390	1,385	1,385	0		0	0
Cr 3,375	TOTAL EXCLUDED RECHARGES	Cr 3,453	Cr 3,816	Cr 3,816	0		0	0
Cr 1,568	Less: R&M allocated across other Portfolios	Cr 1,388	Cr 1,552	Cr 1,552	0		0	0
688	Less: Rent allocated across other Portfolios	778	658	658	0		25	0

1,084	TOTAL ECS DEPARTMENT	2,013	2,892	2,511	Cr 381	Cr 205	0
21,595	TOTAL RESOURCES PORTFOLIO	27,661	27,435	25,623	Cr 1,812	Cr 1,467	70

Reconciliation of Final 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		28
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
Merit Awards 2018/19		65
Additional in year grant funding returned to central contingency	Cr	365

Other Budget Movements

Yeoman House rent PYE for ECHS	Cr	53
R&M Glades Expenditure		246
R&M Walnuts Expenditure		119
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

Final Approved Budget for 2018/19 **28,869**

Memorandum Items

Insurance	Cr	21
Finance Lease		213
IAS19		714
Past Service Cost		507
Employee Pension Contributions	Cr	2,610
Capital Charges	Cr	214
Deferred Charges	Cr	219
Impairment		1,232
Financing & Impairment Gain	Cr	6,538
Financing & Impairment Loss		6,280
Employee Pension Contributions	Cr	779
Rent Allocated to other portfolios		32
R&M Allocated to other portfolios	Cr	31
	Cr	1,434

27,435

Reasons of Variations

FINANCIAL SERVICES DIVISION

1. Exchequer - Revenues and Benefits and Payments & Income Cr £174k

There was an underspend across this area of £174k in total. This was largely due to £133k underspend of staffing costs due to part year vacancies across the two areas.

There are two items requested to be carried forward relating to works not completed in 2018/19. £98k relates to the upgrade of the Academy System and a further £91k for the retendering of the Exchequer contract. Both are due to be undertaken in 2019/20.

There have been further underspends against the Incentive Payment Scheme of £67k and the Discretionary Hardship fund of £50k.

These amounts have been partially offset by a bad debt provision of £200k, relating to aged debt of Council Tax.

Other minor variations total Dr £65k across the areas.

Summary of variations within Exchequer (Revs & Benefits)	£'000
Staff vacancies	Cr 133
Upgrade of Academy System c/f	Cr 98
Retendering of Exchequer Contract c/f	Cr 91
Underspend on Incentive Scheme payments	Cr 67
Discretionary Hardship Fund	Cr 50
Bad Debt Provision	200
Other minor variations	65
Total Variations within Exchequer (Revenue & Benefits)	Cr 174

2. Financial Accounting Cr £118k

£81k of this underspend was the result of part year vacancies, £23k was from savings on Bank Charges and there were other minor variations of £14k.

3. Management Accounting Cr £144k

Staffing costs were £158k underspent due to various part and full year vacancies throughout the year, some of which have now been filled. This has been partly offset by the cessation of the previously achieved income relating to the Liberata contract for schools of £42k, and other minor net underspends of £28k.

4. Audit Cr £58k

£42k relates to the reduced rates on the external audit fee. The Public Sector Audit Appointment reduced 2018/19 fee scales by 23% for all opted-in bodies compared with 2017/18 fees. Other net variations across the service total Cr £16k mainly as a result of a part year vacancy which has now been filled.

CORPORATE SERVICES DIVISION

5. Information Systems & Telephony Cr £410k

Overall there was an underspend of £410k across the IS & T Service.

In December 2017 the Executive approved funding for GDPR compliance work, including 'one-off' costs of £495k. In May 2018, Members approved a carry forward sum of £426k from the underspend on this work into 2018/19. Due to delays in the recruitment of temporary GDPR staff in 2018/19 there is an underspend of £171k, which will need to be carried forward to 2019/20 to fund these costs up to the agreed 18 months fixed term. In addition to this, £140k of the specific funding for GDPR system work will need to be carried forward to 2019/20 to enable the work to be completed. A request will be submitted to the Executive for approval to carry forward £311k for GDPR works.

In addition to this, part year vacancies of permanent staff has led to a net underspend £75k.

The variable element of the B.T contract was underspent by £42k due to a lower level of service desk activities, hardware support levels, and service requests raised. Other minor variations across the service totalled Dr £18k.

Summary of variations within IS & T	£000
Staff vacancies for temporary GDPR staff (c/f request)	Cr 171
GDPR system work (c/f request)	Cr 140
Staff vacancies for permanent staff	Cr 75
Variable element of BT contract	Cr 42

Other minor variations
Total variations within IS & T

	18
Cr	410

6. Electoral Dr £13k

This overspend was due to the extra costs incurred for a local council by-election held in November 2018.

7. Democratic Services Cr £34k

Additional spend of £32k on IT equipment for new Members, has been more than offset by underspends on Members allowances of £48k, and other variations across the service totalling Cr £18k.

8. Legal Services Dr £193k

Counsel fees and court expenses overspent by £307k due to the high volume of cases issued during this financial year. £190k relates to child care cases received in 2018/19, which has again exceeded the average annual expectation, however the numbers are reducing year on year and are expected to stabilise. £78k of the overspend was due to Planning relating to a challenge to the Local Plan and other planning enquiries. The remaining £39k related to additional Commercial cases.

Process serving and transcription costs also overspent by £16k, as a result of the higher number of cases outlined above.

Additional one-off income of £49k was received, mostly relating to legal work undertaken in facilitating the sale of the Old Town Hall.

There was an underspend in staffing costs of £87k due to part year vacancies, which have now been filled.

Other minor underspends totalled £12k.

Summary of variations within Legal Services	£'000
Counsel fees & court costs	307
Process serving & transcription costs	16
Purchase of IT Equipment & Software	18
Additional Income	Cr 49
Staffing	Cr 87
Other minor underspends	Cr 12
Total Variations within Legal Services	193

HR DIVISION

9. Human Resources Cr £188k

Overall there was a total underspend of £188k across HR. Previously £140k was set aside for GDPR compliance work with £110k carried forward from 2017/18. As noted in the March 2019 Executive report, there was a significant reduction in costs, as Officers have been able to enhance an existing internal system following market testing of all options, rather than purchase a bespoke system. This has led to an underspend of £125k. As a result of this change, there is a delay in the roll out of the project, and £20k is requested to be carried forward in relation to the HR document management system, to cover the cost of scanning and indexing of the current hard copy files needed as part of the implementation, and to secure destruction of hard copy files.

Additional income of £50k has been generated from advertisement on the Bromley Website for 2018/19. There was a new web recruitment system in place from January 2019 which allowed greater functionality, and contracts and schedules are now generated online. Extra income has been built into the 2019/20 budget.

There is a £24k underspend in relation to the Merited Rewards set aside to be used by Departmental Representatives. This is requested to be carried forward and used in 2019/20 for works towards the 'Dream Organisation'.

Other minor variations totals Dr £11k.

Summary of variations within Human Resources	£000
GDPR compliance - utilisation of existing HR system	Cr 125
Advertising income	Cr 50
Merited Reward - Departmental Representatives	Cr 24
Other Minor Variations	11
Total Variations within Human Resources	Cr 188

10. Registration of Births, Deaths & Marriages Cr £10k

Additional income of £69k was received during the year from an increase in the volume of customers, £51k of which has been used to fund a refurbishment of the area used for weddings. There were other net overspends of £8k within the service area.

CHIEF EXECUTIVE'S DIVISION

11. Management and Other (C. Exec) Cr £25k

This variance is made up of a £24k underspend in relation to the Biggin Hill Airport Project and other minor variations of Cr £1k. The Chief Officer has advised that a carry forward request will be made for this balance, as there is a potential new application which will require funding in 2019/20.

12. Mayoral and Civic Hospitality Cr £12k

£7k relates to lower costs for hospitality within the year and other minor underspends totalling £5k.

CENTRAL ITEMS

13. CDC & Non Distributed Costs Cr £446k

This mainly relates to the number and cost of ill-health retirements, and costs arising from the early release of pension on redundancy being lower than expected. At this stage it is not possible to predict whether this is a one-off reduction or likely to impact on future years.

ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT

14. Admin Buildings & Facilities Support Cr £177k

The MFD contract has underspent by £130k and additional income of £23k has been generated from staff car parking charges. Other various underspends total £24k.

15. Investment & Non-Operational Property (expenditure) Cr £59k

Additional business rates of £54k have been incurred for 54 Market Square, following the vacation of Argos from the property. This has been more than offset by savings of £90k on the business rates and utility costs of Exchequer House, following its vacation and subsequent sale. The budgets in 2019/20 have been reduced to reflect this saving. In addition there were various net underspends across the other surplus and sundry properties totalling £23k.

Summary of variations within Investment & Non-Operational Property	£'000
Business rates for 54 Market Square	54
Business rates & utility costs for Exchequer House	Cr 90
Various net underspends across the other surplus & sundry properties	Cr 23
Total Variations within Investment & Non-Operational Property	Cr 59

16.Strategic & Operational Property Services Cr £23k

The £23k underspend within this area was mainly due to additional income from miscellaneous fees & charges.

17. TFM Client Monitoring Team Cr £90k

This variance is made up of a refund of £50k from NPower received in the final quarter of the year, a £23k underspend on staffing, due to the utilities manager post being filled late in the financial year by an agency worker at a lower cost. There were also other minor underspends within Supplies & Services totalling £17k.

18. Other Rental Income - Other Portfolios - Cr £32k

Additional income from the Bromley Youth Music (£15k) and Services for Elderly People and Mental Health Needs (£39k), which has been partially offset by other deficits of £22k, primarily the income projected for Parks.

Summary of variations within Other Rental Income - Other Portfolios	£000
Bromley Youth Music	Cr 15
Services for Elderly People & Mental Health Needs	Cr 39
Other income deficits, mainly from parks	22
Total variations within Other Rental Income - Other Portfolios	Cr 32

Waiver of Financial Regulations:

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

1) Award of contract for a Learning Management System with Learning Nexus for up to 4 years. Value of cumulative contract up to £78k including £2k initial set up and £19k per annum ongoing costs.

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 no virements actioned.

Allocation of Contingency Provision for 2018/19

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision	Provisional request to Carry Forward
		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		0	206,000	Cr 4,078,000	
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			0	0	Cr 2,219,000	
Operational Building Maintenance & Planned Programme:							
Fire Risk Assessments & Cyclical Maintenance		86,000		0	86,000	(1) Cr 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	(4) 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	0	500,000	0	
Further Reduction to Government Funding	500,000			0	0	Cr 500,000	
Retained Welfare Fund	450,000			0	0	Cr 450,000	
Deprivation of Liberty	118,000			0	0	Cr 118,000	
Planning Appeals - Change in Legislation	60,000			0	0	Cr 60,000	
Other Variations	101,000			0	0	Cr 101,000	
Additional Income Opportunity (Amey)	Cr 500,000	Cr 375,580		0	Cr 375,580	(4) 124,420	
London Pilot Business Rate Pool	Cr 2,900,000		Cr 2,900,000	0	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	
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	(4) 7,500,000	
IT Transformation		92,000		0	92,000	(3) 92,000	
Staff Merit Award		200,000		0	200,000	(4) 200,000	
Contribution to Civic Centre Improvement Works		200,000		0	200,000	(4) 200,000	
Contribution to Transformation Fund		500,000		0	500,000	(4) 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	Cr 137,600	0	Cr 364,600	(4) Cr 364,600	
National Living Wage			Cr 567,000		Cr 567,000	Cr 567,000	
	13,405,000	13,480,420	Cr 3,104,600	0	10,375,820	Cr 3,029,180	0
Grants included within Central Contingency Sum							
Adult Social Care							
Grant Related Expenditure	873,000	0	873,000	0	873,000	(3)(4) 0	
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	(4) 0	
Tackling Troubled Families							
Grant Related Expenditure	845,000		290,732		290,732	Cr 554,268	510,768
Grant related Income	Cr 845,000		Cr 290,732		Cr 290,732	554,268	Cr 510,768
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	(4) 1,190,460	
- Income		Cr 1,190,460			Cr 1,190,460	(4) Cr 1,190,460	
Additional Homelessness Prevention Grant Allocation							
- Expenditure			89,000		89,000	89,000	89,000
- Income			Cr 89,000		Cr 89,000	Cr 89,000	Cr 89,000
TOTAL CARRIED FORWARD	14,278,000	12,736,420	Cr 2,231,600	0	10,504,820	Cr 3,773,180	0

Notes:

- (1) Executive 28th March 2018
- (2) Executive 11th July 2018
- (3) Executive 28th November 2018
- (4) Executive 27th March 2019

Allocation of Contingency Provision for 2018/19 (continued)

Item	Carried Forward from 2017/18	Allocations				Variation to Original Contingency Provision	Provisional Request to Carry Forward
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year		
	£	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	14,278,000	12,736,420	Cr 2,231,600	0	10,504,820	Cr 3,773,180	0
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					Variation to Original Contingency Provision	Provisional Request to Carry Forward
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year			
- Income	£ Cr 497,885	£ Cr 497,885	£ 0	£ 0	£ Cr 497,885	(1)	£ 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	0
GRAND TOTAL	15,737,340	14,195,760	Cr 2,231,600	0	11,964,160		Cr 3,773,180	0

Notes:

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

Description	2018/19 Latest Approved Budget £'000	Variation To 2018/19 Budget £'000	Potential Impact in 2019/20
Housing Needs - Temporary Accommodation	8,733	51	The full year effect of Temporary Accommodation is currently estimated to be £521k 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	20,735	664	The full year impact of the current overspend is estimated at Dr £959k . Of this amount £749k relates to residential and nursing home placements and £210k to domiciliary care / direct payments . This is based on client numbers as at the end of March. 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 only £51k of this target was achieved in the current financial year. This figure is further reduced by £492k relating to BCF
Learning Disabilities - including Care Placements, Transport and Care Management	33,708	490	The full year effect (FYE) of the outturn is a net overspend of £1,113k. This figure is net of savings from management action, without which the FYE overspend would have been £1,749k. Throughout 2018/19 the FYE has shown a continuing 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 in excess of that. There are many reasons for the overspend but the single largest factor is the high number of new and increased care packages.
Mental Health - Care Placements	6,169	247	The full year overspend of £331k on Mental Health care packages is a worsened position in comparison to the previous forecast, mirroring the in-year 2018/19 position. Earlier in the year there had been evidence of clients 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 this progress has tailed off towards the end of the financial year.
Supporting People	1,013	Cr 74	The full year effect of Supporting People is currently estimated to be a credit of £94k. This is a result of the estimated savings from retendering of the contracts that has taken place.
Children's Social Care	34,836	3,204	The overall full year effect of the Children's Social Care overspend is £3,556k, analysed as Residential, Fostering and Adoption Dr £3,925k , Leaving Care services (inc Staying Put and Housing Benefit clients) Dr £110k, No Recourse to Public Funds Cr £187k and Parental Assessments Cr £174k, Virtual School Dr £100k, Direct Payments Dr £182k. 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 £945k 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.

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	307	The overspend on counsel fees and court costs in 2018/19 is due to the continuing trend of high volume in child care cases, however the numbers are now reducing year on year. There was also a challenge to the local plan plus other planning enquiries coupled with high profile injunction cases and additional commercial cases adding to the overspend seen in 2018/19. Costs are expected to reduce in future years as the number of child care case numbers stabilise, at this time additional expenditure of around £70k is projected for 2019/20.
Adult Education	Cr 520	84	The pressure in the Adult Education area is being caused by the provision of non-fee paying courses as required by the community learning element of the ESFA grant. This requires us to provide provision to support vulnerable communities and any reduction in the priority area risks a reduction in the future allocation of the grant. The full year effect is projected to be £130k.
Parking	Cr 7,419	Cr 80	The reductions in number of PCNs issued by wardens is expected to be partly offset by the income from bus lane enforcement, after assuming a slight drop off in contraventions. At this stage no overall variance is projected for Parking in 2019/20.

Carry Forwards from 2018/19 to 2019/20**MEMBERS' APPROVAL REQUIRED****Grants with Explicit Right of Repayment****ADULT CARE AND HEALTH PORTFOLIO****1 Better Care Fund (BCF) 58,328**

Bromley's Better Care Fund (BCF) allocation for 2018/19 was £20,672k. Some areas within BCF, including those for reablement and resilience, were not fully spent by 31st March 2019 and, under the pooled budget arrangement with Bromley CCG, underspends are carried forward for spending on BCF activities in 2019/20. This funding will be allocated to agreed projects together with new BCF funding for 2019/20.

Adult Care and Health Portfolio

58,328

EDUCATION, CHILDREN & FAMILIES PORTFOLIO**2 Step Up to Social Work Cohort 6 48,000**

The Department of Education forward funded the initial set up costs for the new cohort of the Step Up to Social Work grant. The funding for this new cohort was agreed by Executive in February 2019 and is the continuation of a successful programme of training and developing Social Workers for Children's Social Care.

3 Reducing Parental Conflict 40,100

The Department of Work and Pensions has provided funding totalling £40,100 to address local issues relating to the reduction in parental conflict. The purpose of the funding is to support the development of strategies and to purchase frontline practitioner training.

4 FGM Focused Outreach Grant 10,135

Funding for locally driven Female Genital Mutilation (FGM) focussed outreach, engagement and communication. Provided by the Ministry of Housing, Communities and Local Government.

Education, Childrens and Families Portfolio

98,235

RENEWAL, RECREATION AND HOUSING PORTFOLIO**5 Fire Safety Grant 42,654**

In June 2017, the Council received £56,589 from the London Fire and Emergency Planning Authority, following the successful bid made for gas safety checks, minor repairs for gas appliances and fire retardant bedding and clothing for disabled or vulnerable clients. To date, £13,935 has been spent and the remaining grant sum of £42,654 is requested to be carried forward to 2019/20, in order to continue to carry out the works as set out in the grant conditions.

6 New Homes Bonus - Regeneration 94,416

In total there were 4 NHB top slice revenue projects which secured funding agreed through the LEP in 2015/16. These were due to be delivered over 2 years commencing in 2015/16, although the GLA agreed to extend the period to the end of 2018/19. The 4 projects include: Penge town centre and Orpington town centre (a proportion of which was allocated to TCM and is included in a separate carry forward request), Biggin Hill Technology & Enterprise centre and Lagoon Rd industrial estate refurbishment. At the end of 2018/19, £94,416 remains unspent and a carry forward is requested so that the associated project work can be completed in 2019/20, as agreed with the GLA.

7 New Home Bonus - Town Centre Management 23,472

There was an underspend of £23k in 2018/19 relating to the two NHB top slice projects within Orpington and Penge. Executive are requested to agree a carry forward on the balance for these specific projects, which will be completed during 2019/20, as agreed with the GLA.

Renewal, Recreation and Housing Portfolio	160,542
Total Expenditure to be Carried Forward	317,105
Total Grant Income	-317,105

Grants with no Explicit Right of Repayment

ADULT CARE AND HEALTH PORTFOLIO

8 Improved Better Care Fund (IBCF) 3,967,290

A total of £8,548k Improved Better Care Funding (IBCF) was available for spending in 2018/19, which comprised both 2018/19 grants and an amount brought forward from 2017/18. There was a degree of slippage in 2017/18, the first year of IBCF, partly because allocations were agreed relatively late in the financial year and this has had a knock on effect in year 2 of the programme resulting in underspends totalling £3,967k. In line with the original IBCF report to the Executive in October 2017, underspends can be carried forward to support expenditure in future years and spending commitments are in place in 2019/20. These commitments include contributions to balance Adult Social Care growth pressures in 2019/20.

9 Public Health Grant 1,779,069

The Public Health Grant underspent as follows:

£141k in 2014/15

£152k in 2015/16

£330k in 2016/17

£395k in 2017/18

This total balance of £1,018k was carried forward to 2018/19 to fund public health initiatives as per the terms of the grant, however it was not required this year as there was a further underspend of £761k. This cumulative balance is requested to be carried forward to fund public health initiatives in future years, including the contract for health support to school age children which was reported to the Executive in November 2018.

Adult Care and Health Portfolio	5,746,359
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EDUCATION, CHILDREN & FAMILIES PORTFOLIO

10 Delivery Support Fund 26,774

The Delivery Support Fund was a capital grant awarded by the DfE for the implementation of 30 hours of funded childcare for working parents for which Bromley received £69,100.

To date a total of £42,326 has been spent on a range of projects to increase capacity. In an email dated 24/08/2018 the DfE advised LA's that any unspent money from the fund needs to be spent on aims that benefit 30 hours delivery or to implement necessary requirements in the IT system. The Early Years' service is seeking to purchase an IT system to support the flexibility and complexities involved in managing the 30 hours funding alongside all the existing funding streams and the process is in the final stages of writing in terms of Gateway Report for this procurement.

It is therefore requested that the remainder of this grant, £26,774 is carried forward into the next financial year to be combined with the existing capital grant of £43k for the purchase of the new system. The initial start-up costs of the systems under consideration will cost from between £65k – 87k in year 1. It is hoped that the new system will be purchased for implementation later this calendar year.

11 Troubled Families Grant 510,768

This grant is to fund the development of an ongoing programme to support families who have multi-faceted problems including involvement in crime and anti-social behaviour with children not in education, training or employment. This support is delivered through a number of work streams cross cutting across council departments and agencies. This sum represents the underspend in 2018-19.

12 SEND Reform Grant 55,405

The 2018/19 SEND reform grant has been utilised to best effect in 18/19 and there has not been any further grant from DfE to support the SEND Reforms in 19/20. Bromley continue to drive improvements and are working at pace with a particular focus on the SEND local area inspection preparation. The inspection is anticipated to be in the next 12 months but likely within the Summer term of the 18/19 academic year. The carry forward funding is critical to staffing and urgent work that Bromley continues to require, with a clear focus on quality assurance and improvements. All remaining funding is therefore requested to be carried forward to maximise what is available as we drive improvements and continue to implement the action plan, which is scrutinised through accountability at the SEND Governance Board.

13 Pathfinder Grant 8,161

The funding that remains will be consolidated with the SEND Reform grant carry over to maximise resource to implement the improvements at pace, with a focus on the forthcoming SEND local area inspection planning.

Early Years Grant - Supporting early education of disadvantaged children

14 14,800

The original plan for this money was to be used to support the resourcing of a project developing a bespoke software solution for the early years funding team. After extensive discussions with both BT and the current provider, SDA, it was concluded that both the development costs and the associated risks involved made the proposal unviable. Therefore the service has recently undertaken a market review of the off-the-shelf packages available. It is therefore proposed that this grant is carried forward into the next financial year. It will then be able to be combined with some existing funding of £43k for the purchase and start-up costs of the new digital solution. The initial start-up and first year costs of the solutions under consideration vary from £65k to £87k. Two of the packages will also require additional expenditure if the LA opts to include modules / software for producing data reports.

Education, Childrens and Families Portfolio 615,908

PUBLIC PROTECTION AND ENFORCEMENT AND RENEWAL & RECREATION AND HOUSING PORTFOLIO

15 Appeal and Enforcement - Asset Recovery Incentivisation Scheme (ARIS) 132,758

The Council was awarded a sum of £144,388 from a Proceeds of Crime Act prosecution as part of the Asset Recovery Incentivisation Scheme to carry out works on asset recovery, crime reduction projects and community projects. Due to the late notification of this funding, on 28th March 2018 Executive agreed to carry forward the unspent balance of £132,758 into 2018/19. £84,633 of this is allocated to Planning Enforcement (RR&H Portfolio) and the remaining balance of £48,125 is allocated to Trading Standards (PPE Portfolio). 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. Members are asked to approve a carry forward request for both the income and expenditure budget to 2019/20.

RENEWAL & RECREATION AND HOUSING PORTFOLIO 132,758

16 Planning Strategy & Projects - Custom Build Grant 60,000

The Custom Build grant of £30k was carried forward from 2017/18 due to late notifications from DCLG, as approved by Executive on 21 May 2018. In March 2019, notification was received from DCLG that the Council had been awarded an additional £30k Custom Build grant. The majority of the work funded from these grants will follow on from the Local Plan. Due to a lengthy public examination including legal challenges, the plan was eventually adopted much later than expected in January 2019, which resulted in the works being delayed. Therefore Executive are asked to carry forward these grants in order to carry out the works in 2019/20

17 Implementing Welfare Reform Changes	54,848
The funds provided were to meet the cost of implementing welfare reform. Caseloads are likely to increase substantially. This funding will be needed in 2019/20 to help mitigate the impact and potential increase in homelessness resulting from these changes. In addition there have been delays in implementing Universal Credit nationally. The funding will therefore be needed to cover the costs of local implementation.	
18 Flexible Homelessness Support Grant	40,945
The Flexible Homelessness Support Grant was a new grant in 2017/18 that has replaced the Management Fee included within the Housing Benefit Grant. The spend has been used during the year to offset the loss of income from the end of the HB Management Fee. Looking at next years grant allocation and expected spend, it is currently expected that the grant income will not be enough to cover the costs, and therefore this carry forward would assist in meeting the expected demand in 2019/20.	
19 Homelessness Reduction Grant	89,000
The additional grant which has been given to reflect the latest MHCLG visits. The funding has been provided to assist in preventing and relieving homelessness for young people and as such will be required to during 2019/20 to implement the initiatives identified through the work with the MHCLG specialist adviser.	
	244,793
Total Expenditure to be Carried Forward	6,739,818
Total Grant Income	-6,739,818

OTHER CARRY FORWARD REQUESTS

RESOURCES, COMMISSIONING AND CONTRACTS PORTFOLIO

20 Audit - Blue Badge Investigations	54,000
Due to the increasing numbers of Blue Badge Investigations being referred, additional resources are required as part of the RB Greenwich framework contract (provision of Counter Fraud Service). A sum of £54k is requested to be carried forward from the 2018/19 underspend within Audit, to fund the additional resources required in 2019/20.	
21 Biggin Hill Airport Noise Action Plan	24,310
A sum of £24k was carried forward from 2017/18 to fund contracted specialist expert acoustic advice and other potential advice relating to the introduction of the Noise Action Plan for Biggin Hill Airport. Although there has been no expenditure in 2018/19, there remains the need for potential specialist advice, with an increased likelihood in early 2019/20, when activity is often perceived to be greater. It is therefore requested that £24k is carried forward into 2019/20.	
22 Information Systems & Telephony GDPR	311,000

In May 2018, Executive approved a carry forward of £426k for GDPR compliance work to be undertaken in 2018/19. The funding related to IT Systems, staffing and training work. Due to further delays in the recruitment of temporary GDPR staff, there is an underspend of £171k, which is requested to be carried forward to 2019/20 to fund these costs up to the agreed 18 months fixed term. In addition to this, £140k of the specific funding for GDPR system work is requested to be carried forward to 2019/20 to enable the work to be completed.

23 Merit Rewards 24,257

For 2018/19 £28k was allocated for initiatives to benefit staff, as put forwarded by the Departmental Representatives. It was requested that the Old Well Bar area be converted into a staff break out room. Works completed to date include cleaning, and the installation of a Card Reader for Access. The remaining balance of £24k is requested to be carried forward in order to allow further potential improvements works to be carried out in 2019/20, including removal of the bar area and renovation of the kitchen area, which would make better use of the space available for staff.

24 HR Information System - GDPR 20,000

As noted in the March'19 Budget Monitoring Executive report, here was a significant reduction in costs, as Officers have been able to enhance an existing internal system following market testing of all options, rather than purchase a bespoke system. This has led to an underspend of £125k. As a result of this change, there is a delay in the roll out of the project, and £20k is requested to be carried forward in relation to the HR document management system, to cover the cost of scanning and indexing of the current hard copy files needed as part of the implementation, and to secure destruction of hard copy files.

25 Exchequer Revenue & Benefits 91,000

£91k was carried forward from 2017/18 to meet the potential costs of retendering the Exchequer contract. Formal approval is now requested at the year end to carry forward the unspent amount, as the tender will be evaluated and contract mobilisation undertaken during 2019/20.

26 Exchequer Revenue & Benefits 98,000

£98k was carried forward from 2017/18 for an essential upgrade of the Academy System used for the collection of Council Tax and Business Rates, which was originally planned for the Autumn of 2018. Due to delays in undertaking this, it is requested that £98k is carried forward for the works to be done in 2019/20.

ENVIRONMENT AND COMMUNITY PORTFOLIO

27 Green Garden Waste - Debt Management System 120,000

Due to the mobilisation of the Environmental contracts, the development of the direct debit system for Green Garden Waste (GGW) has been delayed and the work required will not start until April 2019. The new system will separate the financial and operational functions. It will enable officers to collect the income in a more timely fashion through direct debits. This will make the service more efficient, providing easier cash reconciliation and debt management, and provide customers with an alternative method of payment. Executive are requested to carry forward the £120k previously set aside for developing a direct debit system for the Green Garden Waste (GGW) service into 2019/20.

PUBLIC PROTECTION AND ENFORCEMENT PORTFOLIO

28 Additional ECS resources - delay in recruitment 163,120

Due to delays in recruiting to the additional fixed term Food Safety Officer posts, there was an underspend of £163k in 2018/19, Therefore this sum is requested to be carried forward to 2019/20 and 2020/21 to enable the temporary posts to be funded for the remaining agreed term.

Total Other	905,687
TOTAL CARRY FORWARD TO 2019/20	905,687

EARMARKED GENERAL FUND BALANCES - 2018/19

Description	Balance at 31/03/2018+	Expend- iture	Income		Balance at 31/03/2019
			Contribs.	Interest	
EARMARKED BALANCES	£'000	£'000	£'000	£'000	£'000
LPSA Reward Grant	76				76
Technology Fund	1,755		3,254	35	5,044
LAA Pump Priming Grant	155				155
Town Centre Improvement Fund (LABGI)	55				55
Transformation Fund	2,651	559			2,092
Investment to Community	468	96			372
R & R Redundancy Reserve	116				116
Works to Property	100				100
Planning Services Charging Account	193	193	166		166
Government Grants	5,137	5,137	6,845		6,845
Invest to Save	15,972		1,112		17,084
Bromley Welcare	29	29			0
One off Member Initiatives	1,167	276			891
Infrastructure Investment Fund	1,868	178			1,690
Commissioning Authority Programme	555	190			365
Health & Social Care 'Promise Programme'	3,953				3,953
Housing Strategy Account	25				25
Community Right to Bid & Challenge	46				46
Investment Fund	6,197	147			6,050
Winter Pressures	2,010				2,010
Refurbishment of War Memorials	13				13
Key Health & Social Care Initiatives	1,700				1,700
Integration of Health & Social Care Initiatives	864		750		1,614
Collection Fund Surplus Set Aside	11,313		7,853		19,166
Healthy Bromley Fund	3,815				3,815
Glaxo Wellcome Endowment	143	13		2	132
Cheyne Woods and Cyphers Gate	153	10			143
Public Halls Fund	7				7
Future Repairs of 145, High Street	43		12		55
Parallel Fund	2,700		203		2,903
Growth Fund	23,152	2,060			21,092
Health & Social Care Integrated Commissioning Fund	4,550	250	1,250		5,550
Financial Planning & Risk Reserve	10,000				10,000
Bromley Welfare Fund	860	111			749
Payment in Lieu Reserve for Temporary Accommodation	122		27		149
Business Rates Risk Reserve	4,200				4,200
One Off Expenditure in 2016/17 (inc. TFM Contract)	97	97			0
Crystal Palace Park Improvements	82	56			26
Various Joint Schemes and Pump Priming Investments	4,145	1,820	1,050		3,375
Transition Fund	2,590	30			2,560
Children's Social Care Transition Fund	750	750			0
Environmental Initiatives	500	33			467
Planning/Planning Enforcement	197				197
Apprenticeship Scheme	200				200
Civic Centre Development Strategy	257		200		457
CSC Recruitment & Retention	422	422			0
Professional Advice for Future Schemes	147				147
Utilisation of New Homes Bonus	2,256				2,256
Future Pensions Risk on Outsourcing	203		347		550
West Wickham Leisure Centre & Library Redevelopment	993				993
Income Equalisation Reserve	1,086		1,508		2,594
New Reserves Set Up in 2018/19					0
Capital Funding for Property Disposal/Feasibility Works		171	250		79
Biggin Hill Airport Project			124		124
Transformation Programme			500		500
Housing Investment Fund			7,500		7,500
High Street & Parks Improvement Fund			115		115
Subject to Approval Executive 21st May 2019					0
Contribution to YES Funding for 2019/20			130		130
Day Centre Rent Relief			76		76
Housing Invest to Save			3,409		3,409
Sub-Total	120,088	12,628	36,681	37	144,178
Schools	2,219	785	323		1,757
Insurance Fund	3,717	611	800	78	3,984
TOTAL	126,024	14,024	37,804	115	149,919

Note: Members should note that the balance at 31/3/2019 represents the "cash" balance and in some cases the monies shown will already be committed for future years on various schemes.

SECTION 106 RECEIPTS

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

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

31st Mar 2018 £000	Service	Income £000	Expenditure £000	Transfers to/(from) Capital £000	Actual as at 31st Mar 2019 £000
<u>Revenue</u>					<u>Revenue</u>
391	Highway Improvement Works	33	258	-	166
18	Road Safety Schemes	-	18	-	-
45	Local Economy & Town Centres	3	32	-	16
87	Parking	3	18	-	72
1,198	Healthcare Services	556	-	-	1,754
10	Community Facilities	72	125	86	43
311	Other	-	-	-	311
2,060		667	451	86	2,362
<u>Capital</u>					<u>Capital</u>
3,311	Education	1,629	2,189	-	2,751
3,104	Housing	1,393	987	-	3,510
-	Local Economy & Town Centres	2,164	158	-	2,006
82	Highway Improvement Works	1	-	-	83
86	Other	-	-	86	-
6,583		5,187	3,334	-	8,350
8,643		5,854	3,785	0	10,712

SCHOOLS' DELEGATED BUDGETS

Consistent Financial Report (CFR) is a framework of income and expenditure items and balances, which provides schools with a benchmark facility to allow them to promote self-management and value for money. A CFR return has been produced by all schools maintained by the LA as at 31 March 2019.

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

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

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

The following table shows schools' reserves as at 31 March 2019, the end of the 2018/19 financial year. The table below shows an overall decrease in balances of 174k (decrease from £1,931k to £1,757k). This decrease can be seen to be across both revenue and capital balances and across each of the school sectors as detailed below.

	Nos	Accrued Balances at 1 April 2018	Under/ Over (-) Expenditure in 2018/19	Accrued Balances at 31 March 2019	Analysis of Balances as at 31 March 2019					
					Committed Revenue	Uncommitted Revenue	Devolved Formula Capital	Other Capital	Community Focussed Extended Services	Total Balances
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Primary Schools	5	775	67	842	48	681	71	42	0	842
Secondary Schools	1	390	-321	69	0	3	0	66	0	69
Special Schools	2	766	80	846	171	557	51	34	33	846
Total	8	1,931	-174	1,757	219	1,241	122	142	33	1,757

THE SCHOOLS BUDGET

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

There is a total in year underspent of £1,481k on DSG funded services as outlined below.

An analysis of the main variations is provided below:

	£000 Outturn Variance
SEN - Transport	81
SEN - FE College	106
SEN - Placements	245
SEN - Other Variations	28
Free Early Education	Cr 395
Home and Hospital	303
Bulge Classes & Classroom Hire	Cr 730
Payments to Special Schools	Cr 940
Other Variations	Cr 179

Final Outturn	Cr 1,481
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The most significant variations above are:-

a) SEN placements are projected to overspend by a total of £245k. The overspend is being caused by the Maintained Day (£912k), Matrix funding (£353k) and Alternative Programmes (£397k). These overspends are then offset by underspends on Independent Boarding Schools (£640k), Maintained Boarding Schools (£298k) and Independent Day (£392k). There are additionally other running cost underspends and over collection of income totalling £87k.

b) SEN Support for clients in Further Education Colleges has overspent by £106k this year. This is due to the costs of placing clients with Independent Further Education providers.

c) The budget for bulge classes has underspent by £748k for this financial year. Additionally the council has spent £18k on modular classroom rentals during the year.

d) The Home and Hospital service has overspent by £303k during the year. This is due to the splitting out of the Nightingale School from the service and additional costs relating to the a higher than expected number of children the are seeing. The Home and Hospital service is in the process of being reviewed and this is expected to be completed in 2019/20

INVEST TO SAVE FUND

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

Five schemes have been approved to date and, as at 31st March 2019, the actual balance on the Fund stood at £17,084k as detailed in the table below:

Scheme		To 31st March 2019				
	Approval date (Council/Exec)	Contrib- utions £'000	Approved "loans" £'000	Advanced from Fund £'000	Repaid to Fund £'000	Net "loan" 31/03/19 £'000
<u>Approved funding</u>						
Initial Funding allocation	Oct-11	14,000				
Council Tax Freeze grant	Feb-12	3,304				
<u>Approved schemes</u>						
Green waste/textile collection service	Dec-11		220	220	220	0
Replace street lighting columns	Nov-12		8507	8435	8227	208
Bellegrove - refurbishment	Jan-13		400	508	508	0
Statemented pupils - travel training	Apr 13 & Jul 14		460	272	272	0
Transfer CSC to Liberata	Sep-13		330	322	310	12
			17,304	9,917	9,757	220
Actual Fund balance 31/03/19						17,084