

## GENERAL FUND - PROVISIONAL OUTTURN FOR 2022/23

Portfolio	2022/23	Budget	2022/23		2022/23	Variation	
	Original	Variations	2022/23	Latest	Projected	Variation	previously
	Budget	allocated in	Approved Budget	Budget	Outturn		reported
	£'000	year #	£'000	£'000	£'000	£'000	Exec
Adult Care & Health	79,216	Cr 32		79,184	79,127	Cr 57	Cr 53
Children, Education & Families (incl. Schools' Budget)	49,594	2,017		51,611	60,544	8,933	8,305
Environment & Community	34,294	1,544		35,838	35,289	Cr 549	Cr 122
Public Protection & Enforcement	2,645	43		2,688	2,896	208	96
Renewal, Recreation & Housing	14,502	1,117		15,619	16,424	805	762
Resources, Commissioning & Contracts Management	43,791	2,415		46,206	46,549	343	580
<b>Total Controllable Budgets</b>	<b>224,042</b>	<b>7,104</b>		<b>231,146</b>	<b>240,829</b>	<b>9,683</b>	<b>9,568</b>
Capital, Insurance & Pensions Costs (see note 2)	11,506	0		11,506	11,506	0	0
Non General Fund Recharges	Cr 1,408	Cr 154	Cr 1,562	Cr 1,562	0	0	0
<b>Total Portfolios (see note 1)</b>	<b>234,140</b>	<b>6,950</b>	<b>241,090</b>	<b>250,773</b>	<b>9,683</b>	<b>9,568</b>	
<b>Central Items:</b>							
Income from Investment Properties	Cr 9,276	500	Cr 8,776	Cr 8,591	185	185	
Interest on General Fund Balances	Cr 2,841	0	Cr 2,841	Cr 6,841	4,000	Cr 3,000	
<b>Total Investment Income</b>	<b>Cr 12,117</b>	<b>500</b>	<b>Cr 11,617</b>	<b>Cr 15,432</b>	<b>Cr 3,815</b>	<b>Cr 2,815</b>	
<b>Contingency Provision (see Appendix 4)</b>	<b>18,208</b>	<b>Cr 9,890</b>	<b>8,318</b>	<b>1,372</b>	<b>Cr 6,946</b>	<b>Cr 5,740</b>	
<b>Other central items</b>							
Reversal of net Capital Charges (see note 2)	Cr 9,878	0	Cr 9,878	Cr 9,878	0	0	
Utilisation/Set Aside of Prior Year Collection Fund Surplus	0	0	0	0	0	0	
New Homes Bonus Support for Revenue	253	0	253	253	0	0	
Contribution to social care staffing reserve	0	1,700	1,700	1,700	0	0	
Contribution to IT procurement reserve	0	336	336	336	0	0	
Contribution to Legal Reserve	0	635	635	635	0	0	
Contribution to Education Reserve	0	630	630	630	0	0	
Levies	1,272	0	1,272	1,272	0	0	
<b>Total other central items</b>	<b>Cr 8,353</b>	<b>3,301</b>	<b>Cr 5,052</b>	<b>Cr 5,052</b>	<b>0</b>	<b>0</b>	
<b>Prior Year Adjustments</b>							
None	0	0	0	0	0	0	
	0	0	0	0	0	0	
	0	0	0	0	0	0	
<b>Total Prior Year Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total all central items</b>	<b>Cr 2,262</b>	<b>Cr 6,089</b>	<b>Cr 8,351</b>	<b>Cr 19,112</b>	<b>Cr 10,761</b>	<b>Cr 8,555</b>	
<b>Bromley's Requirement before balances</b>	<b>231,878</b>	<b>861</b>	<b>232,739</b>	<b>231,661</b>	<b>Cr 1,078</b>	<b>1,013</b>	
Carry Forwards from 2021/22 (see note 3)	0	Cr 465	Cr 465	0	465	465	
<b>Adjustment to Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>65</b>	<b>Cr 1,478</b>	
<b>Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)</b>	<b>231,878</b>	<b>396</b>	<b>232,274</b>	<b>231,726</b>	<b>Cr 548</b>	<b>0</b>	
Business Rate Surplus Levy	Cr 42,828	0	Cr 42,828	Cr 42,828	0	0	
New Homes Bonus	0	Cr 323	Cr 323	Cr 323	0	0	
New Homes Bonus Topslice	Cr 253	0	Cr 253	Cr 253	0	0	
One off 2022/23 Services Grant	0	Cr 73	Cr 73	Cr 73	0	0	
Council Tax Support - Collection Fund surplus	Cr 2,652	0	Cr 2,652	Cr 2,652	0	0	
Funding COVID cost pressures from Earmarked Reserve	Cr 2,662	0	Cr 2,662	Cr 2,662	0	0	
Collection Fund Surplus	Cr 548	0	Cr 548	0	548	0	
<b>Bromley's Requirement</b>	<b>Cr 4,100</b>	<b>0</b>	<b>Cr 4,100</b>	<b>Cr 4,100</b>	<b>0</b>	<b>0</b>	
GLA Precept	178,835	0	178,835	178,835	0	0	
<b>Council Tax Requirement</b>	<b>52,751</b>	<b>0</b>	<b>52,751</b>	<b>52,751</b>	<b>0</b>	<b>0</b>	
	<b>231,586</b>	<b>0</b>	<b>231,586</b>	<b>231,586</b>	<b>0</b>	<b>0</b>	

# Budget Variations allocated to portfolios in year consists of:

1) Carry forwards from 2021/22	£'000	
2) Allocations from the central contingency provision	465	(see note 3)
	<u>6,485</u>	(see Appendix 4)
	<u>6,950</u>	

1) **NOTES**

Portfolio Final Approved Budgets analysed over Departments as follows:

	2022/23	Budget	2022/23	2022/23	Variation	Variation
	Original Budget	Variations	2022/23	Projected	Variation	previously
	£'000	allocated in	Approved Budget	Outturn	£'000	reported
	£'000	year #	£'000	£'000	£'000	Exec
People Department	144,600	1,911	146,511	155,239	8,728	8,283
Place Department	68,466	3,937	72,403	72,887	484	756
Chief Executive's Department	21,074	1,102	22,176	22,647	471	529
	<u>234,140</u>	<u>6,950</u>	<u>241,090</u>	<u>250,773</u>	<u>9,683</u>	<u>9,568</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 2021/22

Carry forwards from 2021/22 into 2022/23 totalling £465k were approved by Council and the Executive. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2021/22" report.

**Comments from the Executive Director of Environment and Community Services**

None

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

None

**Comments from the Director of Adult Social Care**

The service has continued to maintain performance on the discharge of patients from hospital although we continue to see a demand for higher costs of placements both due to the acuity of patients and in response to the completed cost of care exercise. Whilst we have seen an increase in numbers of people being discharged compared to pre-pandemic, more importantly the needs of individuals needing support has remained high.

The plans put in place to respond to the impact of Winter, have delivered well and have been able to flex to respond to pressure points in the system.

As reported elsewhere in the meeting, we are reaching conclusion on the work to develop the Market Sustainability Plan, This will be discussed with providers over the coming weeks in order that they can fully understand the proposals and the impact on the fees Bromley will be paying in the coming year. Work has begun on the delivery plans for the further transformation savings, in order to assist the Council with balancing its books for next year and onwards.

I am pleased with the current reported budget position as this reflects the robust and challenging response from all services to manage a challenging financial position. The increase in underspend allows some one off spend within the financial year to address specific pressure points in the adult social care system and will be reflected in the next budget report. I would like to express my thanks to all managers within the service for their work to deliver this whilst maintaining good services to the Bromley population.

**Comments from the Director of Housing, Planning and Regeneration**

£1,116k of growth was included in the housing budget for 2022/23 to reflect the continuing pressures in relation to homelessness and the provision of temporary accommodation. A total of £1,785k savings was also included to mitigate these pressures.

Whilst approaches remain high, the ongoing supply of acquired properties and prevention work has continued to slow the rate of growth in nightly paid accommodation placements. However the number of approaches are starting to rise alongside increased pressure on nightly paid accommodation rates across London and the South East. This results in a £747k overspend on temporary accommodation, with a £413k overspend on housing overall. As has been reported work is ongoing to increase the supply of affordable housing to continue to mitigate and reduce the current pressures relating to temporary accommodation particularly in relation to the increased ability to secure leased accommodation within temporary accommodation subsidy rates however this is becoming increasingly challenging due to the current inflation rises in relation to accommodation costs.

A substantial part of Planning Services' work attracts a fee income for the Council, for example the planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough. There is a risk of income variation beyond the Council's immediate control; however, trends are regularly monitored in order that appropriate action can be taken. Action has successfully been taken to negate the risk of Government Designation for Special Measures due to Planning performance for the current year. However, this is based on the actions identified being implemented to reduce the risk of Government Designation in future years.

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 consultant's advice which creates additional costs.

The key risks in the Renewal, Recreation and Housing Portfolio continue to be:

- i) Increased homelessness and the associated costs particularly relating to the increased demand for placements across London
- ii) Increased rent arrears arising from inflation and increased costs of utilities and so forth
- iii) Reduced vacant housing association properties coming forward for letting
- iv) Increased maintenance and repairs costs in relation to the travellers site required to maintain health and safety standards
- v) Fluctuations in planning applications and need to ensure application processing is sufficiently resourced
- vi) Increases being seen in construction and maintenance costs

Finally, the ongoing impacts of the Covid-19 pandemic on budgets are now becoming apparent. Significant losses in income, in particular from commercial rents, are expected as town centres have been severely affected during lockdown restrictions. The impact of increased utility and maintenance costs is also impacting on tenants of commercial properties and their ability to maintain rental payments.

### **Comments from the Director of Childrens Services**

The Children, Education and Families Portfolio has an overspend of £8,933,000 for the year.

The Education Division has an overspend of £134k.

Initial analysis indicates that there are a number of causal factors resulting in the forecast overspend position on transport:

An increase in number and complexity of Special Educational Needs and Disabilities - The national increase in EHCPs is widely acknowledged as unsustainable and the rate of increase is accelerating across the country. In Bromley, despite gatekeeping measures, the increase in EHCPs has now reached 17%, (higher than the projected increase of 14% used to produce Growth funding assumptions).

The complexity of children and young people's needs continues to be at a higher level than prior to the Covid pandemic. These high levels of demand have continued for the past 2 years. A number of the Covid-related cases have acute social, emotional and mental health needs, which require specialist provision which is typically costly independent provision outside of Bromley. Transport is often required and although officers seek to minimise costs, transport is often required to meet children's needs.

Transport provider pressures arising from the Covid-19 pandemic - The number of children requiring transport has increased by circa 17%, but this only accounts for part of the increase in costs. The reduced availability of drivers has resulted in more expensive providers having to be used from the call off framework.

Immediate management action was taken on the notification of the forecast budget overspend position. A specialist external transport adviser has undertaken a review of SEN transport arrangements, including benchmarking analysis and a full review of processes and eligibility criteria to identify potential savings. This has enabled significant mitigation proposals to be identified as part of the MTFS process, which would offset the forecast pressures on SEN Transport. In addition, work has been undertaken by our AD Strategic Performance resulting in predictive work for the next few years. This work has been incorporated into subsequent budget challenge discussions.

There is a current projected overspend in DSG of £4,877k together with a DSG adjustment of £178k. This will be added to the £7,142k carried forward from 2021/22. This gives us an estimated DSG deficit balance of £12,197k into the new financial year.

We have recently met with representatives from the DfE to set out our deficit recovery plan which they have approved.

The impact of additional legal duties from the SEND Reforms, has led to unsustainable financial pressures on High Needs costs within the DSG. An increase in Government funding (>£5m in 2021/22) is not sufficient to meet the increased costs. We are aware that Bromley is one of the last London Boroughs to incur a deficit in the DSG, with some local authorities having deficits in excess of £20m. The legal framework is heavily weighted in favour of parental preference, which is often for independent day and residential provision. We continue to assess all cases carefully and with a view to carefully balancing the education needs of young people and ensuring the best value for money from specialist education placements. Where it is appropriate to do so we continue to defend our decisions at Tribunal.

In the 2022 calendar year, 634 new EHCPs were issued, up from 274 in 2018 and 476 in 2021. We have sought to commission additional local specialist provision, including a new special free school due to open in 2023, but the needs and tribunal challenges are such that we have no choice but to continue placing children in more costly provision to ensure we are not in default of our legal statutory duties.

A review of High Needs Funding Bands has commenced, with oversight from the SEND Governance Board and CEF PDS. This will consider how the funding bands can be simplified and to identify where any savings can be made. We continue to work on increases to local specialist provision, including the special free school and increases in Additionally Resourced Provisions, which are specialist classes within mainstream schools.

In Children's Social Care the overspend is £8,799k.

The ongoing impact of C19 on Children Services continues especially in respect of contacts into our MASH – these continue to remain consistently around 1,100 contacts per month with little sign of a reduction. This compares to around 600 in April 2020 and it is the complexity of need from the families and children that have an added dimension.

There continues to be a high level of demand for support particularly in CWD which has meant a rise in demand for our short break provision. In response we have sought to increase the number of nights available for the number of families requiring this. Whilst These continued pressures have meant an increase in our looked after population in CWD despite the innovative and expensive care packages put in to support with health provision short breaks. The resilience for some families is now being significantly tested following two years of Covid challenges. This is primarily seen in families for children with profound and complex health and challenging sometimes aggressive behaviour.

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

Recruitment and retention of permanent staff/ ability to recruit skilled staff for the posts vacant and competitive salaries being paid at this time

Limited supply and increasing costs of residential placements – including the specialist placements for very complex young people. The cost of such placements is high and then with the delay to final hearing families are being retained in these placements beyond the assessment.

Increased complexity of children (SEND).

Shortage of local school places (particularly for Specialist schools).

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

## Adult Care and Health Portfolio Budget Monitoring Summary

2021/22 Actuals £'000	Division Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>PEOPLE DEPARTMENT</b>							
	<b>Adult Social Care</b>							
25,374	Assessment and Care Management	24,473	23,365	23,539	174	1	Cr 50	2,764
117	Direct Services	86	85	85	0		0	0
1,779	Quality Assurance & Safeguarding	1,930	2,503	2,264	Cr 239	2	Cr 92	0
39,170	Learning Disabilities	42,009	42,248	42,305	57	3	68	1,192
8,380	Mental Health	8,198	8,483	8,458	Cr 25	4	21	4
885	Placement and Brokerage	914	910	910	0		0	0
Cr 312	Better Care Fund - Protection of Social Care	0	0	0	0		0	0
Cr 920	CCG Support for Social Care	0	0	0	0		0	0
Cr 1,650	COVID grant to support impact of COVID on service areas	0	0	0	0		0	0
<b>72,823</b>		<b>77,610</b>	<b>77,594</b>	<b>77,561</b>	<b>Cr 33</b>		<b>Cr 53</b>	<b>3,960</b>
	<b>Integrated Commissioning Service</b>							
1,222	Integrated Commissioning Service	1,336	1,326	1,302	Cr 24	5	0	0
1,101	Information & Early Intervention	1,205	1,205	1,205	0		0	0
Cr 1,101	- Net Expenditure	Cr 1,205	Cr 1,205	Cr 1,205	0		0	0
	- Recharge to Better Care Fund							
	Better Care Fund							
24,175	- Expenditure	25,117	25,602	25,602	0	6	0	0
Cr 24,201	- Income	Cr 25,137	Cr 25,622	Cr 25,622	0		0	0
	Improved Better Care Fund							
10,050	- Expenditure	7,503	10,327	10,327	0	7	0	0
Cr 10,050	- Income	Cr 7,503	Cr 10,327	Cr 10,327	0		0	0
<b>1,196</b>		<b>1,316</b>	<b>1,306</b>	<b>1,282</b>	<b>Cr 24</b>		<b>0</b>	<b>0</b>
	<b>Public Health</b>							
15,197	Public Health	15,475	18,124	18,124	0		0	0
Cr 15,325	Public Health - Grant Income	Cr 15,185	Cr 17,840	Cr 17,840	0		0	0
<b>Cr 128</b>		<b>290</b>	<b>284</b>	<b>284</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>73,891</b>	<b>TOTAL CONTROLLABLE ADULT CARE &amp; HEALTH</b>	<b>79,216</b>	<b>79,184</b>	<b>79,127</b>	<b>Cr 57</b>		<b>Cr 53</b>	<b>3,960</b>
2,602	<b>TOTAL NON CONTROLLABLE</b>	434	525	525	0		0	0
5,249	<b>TOTAL EXCLUDED RECHARGES</b>	5,063	5,063	5,063	0		0	0
<b>81,742</b>	<b>TOTAL ADULT CARE &amp; HEALTH PORTFOLIO</b>	<b>84,713</b>	<b>84,772</b>	<b>84,715</b>	<b>Cr 57</b>		<b>Cr 53</b>	<b>3,960</b>

## Reconciliation of Latest Approved Budget

£'000

## 2022/23 Original Budget

84,713

**Carry forwards requests**

## Improved Better Care Fund

- expenditure

2,597

- income

Cr 2,597

## Better Care Fund

- expenditure

83

- income

Cr 83

## Public Health Grant

- expenditure

1,964

- income

Cr 1,964

## Winter Resilience Funding

- expenditure

400

- income

Cr 400

## Shared Lives Transformation Posts

100

**Other:**

## Better Care Fund

- expenditure

402

- income

Cr 402

## Improved Better Care Fund

- expenditure

227

- income

Cr 227

## Public Health Grant

- expenditure

427

- income

Cr 427

## ICB funding:

- Hospital Discharges

3,308

- expenditure

3,308

- income	Cr	3,308
- LD/Autism		
- expenditure		247
- income	Cr	247
- Discharge Transformation Funds		
- expenditure		361
- income	Cr	361
- Winter Pressures Funding		
- expenditure		612
- income	Cr	612
King's funding for SPA		
- expenditure		500
- income	Cr	500
Market Sustainability and Fair Cost of Care Fund		
- expenditure		804
- income	Cr	804
Charging Reform Implementation Support Grant		
- expenditure		104
- income	Cr	104
Supplementary Substance Misuse Treatment & Recovery Grant		
- expenditure		264
- income	Cr	264
Additional Winter Pressures Funding		
- expenditure		2,314
- income	Cr	2,314
Repairs and Maintenance		91
Provision for agency workers contract savings	Cr	72
Adj to NI budget following reversal of 2022-23 increase in November	Cr	60
<b>Latest Approved Budget for 2022/23</b>		<b><u>84,772</u></b>

## **1. Assessment and Care Management - Dr £144k**

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

	<u>Current</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory &amp; Cognition</u>	
<b>Services for 65 +</b>	
- Placements	661
- Placements (discharge packages)	1,838
- Domiciliary Care / Direct Payments	606
- Domiciliary Care (discharge packages)	1,984
- CCG funding for discharge packages	Cr 3,308
- Additional CCG Funding (Winter Funds)	Cr 365
- Discharge Fund	Cr 960
	<u>456</u>
<b>Services for 18-64</b>	
- Placements	644
- Domiciliary Care / Direct Payments	169
	<u>813</u>
<b>Other</b>	
- Staffing	65
- Extra Care Housing	Cr 274
- Day Care	Cr 159
- Adult Transport	Cr 257
- D2A	Cr 470
	<u>Cr 1,095</u>
	<u><u>174</u></u>

The 2022/23 budget includes funding for the full year effect of the September 2021 overspend as reported to Members in the September Budget Monitoring report.

### Services for 65+ - Dr £456k

Numbers in residential and nursing care (excluding those on the hospital discharge pathway) are below budget, currently by 28 placements. There is however an overspend of £503k on this budget mainly due to additional 1:1 packages needed for some service users and placements having to be made to some homes that are above the council's guide rates.

The number of emergency and temporary placements has fallen from 25 to 15, and an overall overspend of £233k is projected for the year, a reduction on the last projected overspend which was £369k.

There is a underspend projected on respite care of £75k.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £606k. Domiciliary care is projected to overspend by £469k and direct payments to overspend by £137k.

Discharges from hospital continue to follow a revised pathway in unison with health. Based on current levels of activity, the cost of the short term care home placements following discharge is estimated at £1,838k, and domiciliary care packages at £1,984k. South East London Integrated Care Board (ICB) have provided £3,308k of one-off funding for hospital discharge packages in 2022/23 following the cessation of central funding from NHS England which will offset a large percentage of these costs. Further funding from SELICB has recently been agreed from Winter Funds of £365k.

The Government also recently announced additional funding for the discharge of patients from acute beds to improve patient care and systems flow. Of the amount allocated to Bromley, £960k is currently projected to be utilised further offsetting the costs.

As part of the 2022/23 budget setting, savings of £229k were included in the division and at this stage £191k has been achieved, with the balance expected to be achieved by the year end.

### Services for 18-64+ - Dr £813k

Placements for the 18-64 age group are projected to overspend by £653k an increase of £389k since at time. Service user numbers, which are currently 3 above budgeted levels, reduced by 2 from the last reported position, however this reduction is offset by several new higher cost placements, resulting in the increased overspend.

There is a minor underspend projected on respite care of £9k.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £169k. Domiciliary care is currently projected to underspend by £43k and direct payments projected to overspend by £212k.

### Staffing - £65k

Analysis of the staffing budget for Assessment & Care Management shows a projected £65k overspend on non-externally funded posts.

### Extra Care Housing - Cr £274k

The hours being delivered in the Extra Care Housing units have continued to remain at the minimum level all year, resulting in a projected underspend. The level of voids has also reduced in recent months, leading to a reduction in the void payments the council is having to make to the housing provider, leading to an increase in the projected underspend.

#### Day Care Services - Cr £159k

Day care services for older people at centres continue to remain at the lower levels seen post covid. Conversely there has been a greater take up of the Respite at Home service.

#### Transport - Cr £257k

The reduced use of Day Care services has impacted on the service provided by the external transport providers as most trips relate to attendance at day centres, therefore at this stage of the year a projected underspend of £257k is expected on the budget.

#### Discharge to Assess - Cr £470k

The budget for packages under the D2A service is currently not being utilised due to the other funding streams the council is receiving for these services as mentioned above. An underspend is therefore reported here based on the budget for discharge packages within this service.

### **2. Quality Assurance & Safeguarding - Cr £239k**

#### Community Deprivation of Liberty Safeguards (CDoLS) - Cr £439k

There has been minor spend on the CDOLLS budget so far this year, resulting in an underspend to date of £439k.

#### Deprivation of Liberty Safeguards (DoLS) - Dr £200k

The DoLS budget is currently projected to overspend by £200k. Since face to face assessments have returned post Covid (previously remote assessments were being undertaken), the expenditure on those not undertaken by the inhouse staff has increased.

### **3. Learning Disabilities - Dr £57k**

The 2022/23 Learning Disabilities (LD) budget includes funding for anticipated 2022/23 demand-related pressures (£974k) and the full year effect (FYE) of the 2021/22 overspend (£1,991k) but also reductions relating to planned savings (£377k).

The actual FYE of the 21/22 overspends at year end was considerably higher than the growth figure included in the budget, which was based on the September 2021 budget monitoring position; however this has been partly offset by an increase in the number of full cost contributions as well as underspends on Domiciliary Care and Direct Payments budget.

An overall net overspend of £57k is currently anticipated, a small reduction from the £68k reported for the second quarter. The main reasons for this are the underachievement of planned savings (£338k), the majority of which relates to increasing uptake in Shared Lives, and a projected overspend of £206k on care packages. As has been previously reported, the Shared Lives project was delayed due to extenuating circumstances, however additional staff have now been recruited, funded from the carry forward previously agreed, and additional carers are currently being assessed. The resulting overspend is partly being offset by projected underspends on day and respite services (£250k), staffing (£134k) and transport (£103k).

Given the stage in the financial year a significant element of projected spend is still based on assumptions, for example future services for young people transitioning to adult social care services and increased client needs during the year. As a result, this position is likely to change as the year progresses.

### **4. Mental Health - Cr £25k**

The 2022/23 budget includes funding for the full year effect of the September 2021 overspend as reported to Members as part of the September Budget Monitoring report.

Placements for 65+ age group are projected to overspend by £252k this year based on current service user numbers of 45, an increase of 3 since last time. This is an increase in the overspend of £20k. Health funding increased by £57k this quarter and this is shown below as part of the 2022/23 budget savings.

The overall position on the domiciliary care and direct payments budgets is a projected underspend of £16k, a reduction of £31k since last time, moving from an overspend to an underspend. Domiciliary care is currently projected to overspend by £68k and direct payments to underspend by £84k.

Placements for the 18-64 age group are projected to now underspend by £222k, an increase in the underspend last reported. Current service user numbers remains the same at 105. Health funding increased by £90k this quarter and this is shown as part of the 2022/23 budget savings below.

The overall position on the domiciliary care and direct payments budgets is a projected underspend of £39k, a slight reduction of last reported figure of £55k, with Domiciliary care currently projected to underspend by £75k and direct payments to overspend by £36k.

Savings of £306k were included in the 2022/23 budget for Mental Health, £258k of this has been achieved to date, and the projections assume the remainder will be achieved by the end of the year.

### **5. Integrated Commissioning Service - Cr £24k**

An underspend of £24k is currently projected for Integrated Commissioning on staffing budgets due to vacancies and miscellaneous supplies and services.

## **6. Better Care Fund (BCF) - Nil variation**

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

The final 2022/23 allocation was published in May at a 5.66% increase above 2021/22 levels, which equates to a £402k increase above the 4% assumed in the budget. This has been allocated for hospital discharge care packages.

## **7. Improved Better Care Fund (IBCF) - Nil Variation**

The total amount of funding available in 2022/23 is:

	<b>£'000</b>
2021/22 IBCF allocation - recurrent	4,636
2021/22 IBCF allocation - non-recurrent (extended for 5th year)	1,677
2021/22 Winter Pressures Grant	1,190
Carry forward from previous years	2,597
	<b><u>10,050</u></b>

The non-recurrent IBCF funding of £1,677k has been extended for a sixth year and, for the third year running, this will fund a contribution to a 'whole system' reserve that can be called upon in relation to any crisis in the joint health and social care systems.

£1,400k of the carry forward from previous years has been allocated to help mitigate growth pressures in the 2022/23 budget, with a further £400k assumed for the 2023/24 budget.

For the first time in recent years, the IBCF allocation had an inflationary increase for 2022/23 of 3% which equates to £227k. This has been allocated to help offset cost pressures in the portfolio, and is assumed in the figures above.

## **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. The Director of Adult Social Care has additional authority in respect of placements.

Since the last report to the Executive, 31 waivers for Adult placements have been agreed for between £50k and £100k and 11 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. There have been no virements since the last report to Executive.

## Children, Education and Families Portfolio Budget Monitoring Summary

2021/22 Actuals £'000	Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>							
	<b>Education Division</b>							
-461	Adult Education Centres	Cr 438	Cr 432	Cr 352	80	1	28	0
694	Schools and Early Years Commissioning & QA	747	747	807	60	2	Cr 50	0
2,612	SEN and Inclusion	2,365	2,366	2,653	287	3	19	0
99	Strategic Place Planning	43	43	43	0		0	0
49	Workforce Development & Governor Services	Cr 24	Cr 24	Cr 23	1		1	0
6,975	Access & Inclusion	6,781	7,795	7,801	6	4	1,182	871
0	Management Action - draw down from reserves	0	0	0	0		Cr 1,000	0
-1,446	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	6	0	0
25	Other Strategic Functions	318	293	Cr 7	Cr 300	5	0	0
-10	Central School Costs	Cr 36	Cr 36	Cr 36	0		0	0
<b>8,537</b>		<b>8,263</b>	<b>9,259</b>	<b>9,393</b>	<b>134</b>		<b>180</b>	<b>871</b>
	<b>Children's Social Care</b>							
1,774	Bromley Youth Support Programme	1,732	1,783	1,759	Cr 24	7	68	0
676	Early Intervention and Family Support	1,342	1,370	1,487	117		116	0
8,150	CLA and Care Leavers	8,280	8,280	10,033	1,753		1,525	2,395
17,854	Fostering, Adoption and Resources	18,720	19,030	22,378	3,348		3,203	5,413
3,552	0-25 Children Service (Disability Services)	3,716	3,603	5,472	1,869		1,783	0
4,358	Referral and Assessment Service	4,092	4,680	5,506	826		670	0
3,908	Safeguarding and Care Planning East	3,012	3,549	3,854	305		525	0
2,779	Safeguarding and Care Planning West	2,389	2,573	2,672	99	Cr 102	0	
Cr 980	Safeguarding and Quality Improvement	Cr 1,952	Cr 2,516	Cr 2,010	506		337	0
<b>42,071</b>		<b>41,331</b>	<b>42,352</b>	<b>51,151</b>	<b>8,799</b>		<b>8,125</b>	<b>7,808</b>
<b>50,608</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN &amp; FAMILIES</b>	<b>49,594</b>	<b>51,611</b>	<b>60,544</b>	<b>8,933</b>		<b>8,305</b>	<b>8,679</b>
	<b>Total Non-Controllable</b>	1,594	1,590	1,590	0		0	0
	<b>Total Excluded Recharges</b>	8,761	8,602	8,602	0		0	0
<b>50,608</b>	<b>TOTAL EDUCATION, CHILDREN &amp; FAMILIES PORTFOLIO</b>	<b>59,949</b>	<b>61,803</b>	<b>70,736</b>	<b>8,933</b>		<b>8,305</b>	<b>8,679</b>
	<b>Memorandum Item</b>							
	<b>Sold Services</b>							
	Education Psychology Service (RSG Funded)	Cr 94	Cr 94	574	668	8	695	0
	Education Welfare Service (RSG Funded)	Cr 18	Cr 18	22	40		41	0
	Workforce Development (DSG/RSG Funded)	Cr 30	Cr 30	Cr 29	1		1	0
	Community Vision Nursery (RSG Funded)	64	64	65	1		Cr 114	0
	Blenheim Nursery (RSG Funded)	98	98	206	108		89	0
<b>0</b>	<b>Total Sold Services</b>	<b>20</b>	<b>20</b>	<b>838</b>	<b>818</b>		<b>712</b>	<b>0</b>
	<b>Reconciliation of Latest Approved Budget</b>			<b>£'000</b>				
	<b>Original Budget 2022/23</b>			<b>59,949</b>				
	<b>Contingency:</b>							
	Additional social workers re caseloads			700				
	Temporary increase in CIN social workers			250				
	SEN Transport			1,000				
	Homes for Ukraine							
	- expenditure			150				
	- income		Cr	150				
	<b>Carry forwards:</b>							
	Broadband at Poverest			6				
	Wellbeing for Education			6				
	Deed Settlement for Hawes Down Site							
	- expenditure			12				
	- income			-12				
	Virtual School CIN Grant							
	- expenditure			63				
	- income			-63				
	Virtual School PLAC Grant							
	- expenditure			93				
	- income			-93				
	Tackling Troubled Families Grant							
	- expenditure			334				
	- income			-334				
	EIFS waiting list and volumes			90				
	MOPAC Choices grant			75				
	<b>Other:</b>							
	Draw Down from Health Reserve							
	- expenditure			314				
	- income		Cr	314				
	Tackling Troubled Families Grant							
	- expenditure			490				
	- income		Cr	490				
	Homes for Ukraine - DfE Grant							
	- expenditure			350				
	- income		Cr	350				
	Repairs and Maintenance							
	- expenditure		Cr	4				
	Provision for agency workers contract savings		Cr	121				
	Adj to NI budget following reversal of 2022-23 increase in November Asylum Grant		Cr	84				

- expenditure		129
- income	Cr	129
VAWG Services	Cr	64
Step Up to Social Work transferred to HR		
- expenditure	Cr	900
- income		900
Draw Down from Health Reserve - No 2		
- expenditure		500
- income	Cr	500

**Latest Approved Budget for 2022/23**

**61,803**

## **REASONS FOR VARIATIONS**

### **1. Adult Education - Dr £80k**

The Adult Education service is currently projecting to overspend by £80k. This is due to an under collection of income of £97k offset by underspends on staffing of £4k and running costs of 13k.

### **2. Schools and Early Years Commissioning & QA - Dr £60k**

The in-house nurseries are currently having issues with staffing that has resulted in one of them temporary closing. This has resulted in a staffing underspend across the two nurseries of £297k, an under collection of income of £333k and an overspend of £73k on running costs. Once these figures are netted off, it leaves a net overspend of £108k.

Across the rest of the service there is a £49k underspend mostly related to staffing.

### **3. SEN and Inclusion - Dr £287k**

The staffing in this area is currently forecasting an underspend of £102k. This is due to a number of posts that are currently vacant and are currently expected to be filled during the year. There is also an overspend of £13k related to running costs.

The Education Psychologists are currently in the process of recruiting to the vacant posts in their team. This is causing the statutory service they are required to provide to be underspent by £292k and the Trading Service they offer to the Schools to be overspent by £668k due to the use of expensive agency staff and a new contract to help reduce the backlog within the service. This is a net overspend of £376k.

Please note that as from the start of the year, the SEN Transport Service has move from the SEN Division to the Access & Inclusion Division

### **4. Access & Inclusion - Dr £6k**

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

In the area they are predicting to underspend on staffing by £14k and over spend on running costs / under collection of income of £9k.

SEN Transport is currently forecast to underspend by £28k. This is due to additional costs of £232k related to the cost of providing the service. This is then offset by forecasted underspends on staffing (£173k), collection of additional income of £14k and underspends on the remaining running costs (£73k).

### **5. Other Strategic Functions - Cr £300k**

There is currently forecast to be an underspend of £300k in the running costs of this area.

### **6. Schools Budgets (no impact on General Fund)**

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

There is a current projected overspend in the DSG of £4,877k. This will be added to the £7,142k carried forward in the reserves from 2021/22. The prior year Early Year adjustment has reduced our 2021/22 DSG allocation by £178k causing an additional pressure on the DSG. This gives us an estimated DSG reserve of £12,197k at the end of the financial year.

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

There is an underspend of £75k in the Primary Support Team area. This is due to underspends in the staffing budgets.

The Home and Hospital service currently has a pressure of £201k due to the use of agency tutors to support the higher number of students the service is supporting (£209k). There is also an overspend on other running costs of £95k and under collection of income of £66k. There is then an underspend on staff of £169k that offset the use of agency to support the students.

There is £1,778k from the High Needs Supplementary Grant that can be used to offset the increase in costs of the SEN Placement budgets. The part of the grant that is showed as spent has been allocated to the Special/AP Schools in Bromley to support them with the additional costs they currently have.

There is a pressure of £750k relating to payments made to Early years providers. Overall costs are outstripping the grant available. DfE make adjustments to the DSG in year and lower numbers have caused an issue on the funding. This has been corrected for future years and should not occur again

The Inclusion and Behaviour service has an underspend of £21k that is mostly related to staffing.

The Education Welfare Statutory Service has a net underspend of £11k. This is due to an underspend on staffing of £4k, additional income of £16k and an overspend on running costs of £9k.

The Council has incurred some additional support to schools costs of £15k this year funded from the DSG.

The SEN placement budget is projected to overspend £5,814 with the main pressure coming the Independent school placements, with additional pressure coming from matrix funding and direct payments. Some of this pressure is being offset by additional grant that we are receiving in this year.

SEN Support for clients in Further Education Colleges is currently expected to overspend by £221k this year. This is due to the cost of placing clients with Independent providers.

The SENIF budget is currently forecast to overspend by £18k on the payments it make to providers to support our SEN children.

The Complex Needs team, Darrick Wood Hearing Unit, Early Years SEN Advisory Team and other staffing budgets in SEN are all currently projected to underspend by a total of £257k. Most of the underspend relates to lower than expected staffing costs.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Primary Support Team	-75	0	0	0	-75
Home & Hospital	201	201	0	0	0
Use of Supplementary grant	-1,778	-1,778	0	0	0
Inclusion and Behaviour	-21	-21	0	0	0
Early years settings	750	0	0	750	0
Education Welfare	-11	0	0	0	-11
Additional Support for Schools	15	0	0	0	15
Other Small Balances	-2	0	0	8	-10
SEN:					
- Placements	5,814	5,814	0	0	0
- Support in FE colleges	221	221	0	0	0
- Darrick Wood Hearing Unit	-88	-88	0	0	0
- Complex Needs Team	-75	-75	0	0	0
- Early Years SEN Advisory Team	-33	-33	0	0	0
- SENIF	18	18	0	0	0
- SEN Staff	-61	-61	0	0	0
- Other Small SEN Balances	2	2	0	0	0
<b>Total</b>	<b>4,877</b>	<b>4,200</b>	<b>0</b>	<b>758</b>	<b>-81</b>

## **7. Children's Social Care - Dr £8,799k**

The current budget variation for the Children's Social Care Division is projected to be an overspend of £8,799k (previously £8,125k). Despite additional funding being secured in the 2022/23 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.

### **Bromley Youth Support Programme - Cr £24k**

The BYSP budget is projected to underspend by £24k this year. This is due to an overspend of £57k in staffing that is offset by additional income of £26k and underspends on running costs of £55k.

### **Early Intervention and Family Support - Dr £117k**

This budget is projected to overspend by £117k this year. This is due to an under collection of income of £166k and an overspend of staffing of £75k, that is then being offset by an underspend running costs of £124k.

### **CLA and Care Leavers - Dr £1,753k**

The service is currently expected to overspend by £1,753k. This is due to an overspend in staffing of £127k, an under collection of income of £32k and £466k underspend on running costs. There is currently forecast to be an additional overspend on placement costs in this service of £2,060k.

### **Fostering, Adoption and Resources - £3,348k**

The budget for children's placements is currently projected to overspend by £3,616k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £1,682k (D £1.326k)
- Boarding Schools - Dr £54k (Dr £1k)
- Secure Placement - Dr £135k (Dr £135k)
- Fostering services (IFA's) - Dr £911k (Dr £871k)
- Fostering services (In-house, including SGO's and Kinship) - Dr £132k (Dr £4k)
- Adoption placements - Cr £79k (Cr £35k)
- Outreach Services - Dr £854k (Dr £821k)
- Transport Costs - Cr £73k (Cr 62k)

There is a one off £400k Health funding that is off-setting some of the pressures of the Children's Placements for this year. Additionally there is a projected overspend in running cost of £166k in this area, that is offset by a £4k underspend in staff and extra income of £30k

### **0-25 Children Service (Disability Services) - Dr £1,869k**

Services for Children with Disabilities is projected to overspend by £1,869k this year. This is made up of an overspend domiciliary care / outreach services of £1,625k, staffing of £46k and other running costs of £198k.

Referral and Assessment Service - Dr £826k

The main projected variance relates to services is a projected overspend on staffing of £509k and running costs of £71k. The remaining £246k in running costs relates to No Recourse to Public Funds (NRPF) clients.

Safeguarding and Care Planning East - Dr £305k

The budget in this area is currently projected to overspend by £305k, and is due to staffing underspends of £167k and additional income of £7k. This is then offset by overspends on PLO cases overspending by £359k and running costs of £120k

Safeguarding and Care Planning West- Dr £99k

This area is overspent by £99k and is due to a staffing underspend of £6k and is offset by an overspend of running costs of £105k.

Safeguarding and Quality Improvement - Dr £506k

The projected overspend of £506k in this area mainly relates to staffing (£423k), and this includes the costs of recruiting and retaining social workers across the whole of Children's Social Care. There is additionally a £83k overspend in running costs.

**8. Sold Services (net budgets)**

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

**Waiver of Financial Regulations**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually. Since the last report to the Executive, there has been in Children's Social Care there were 20 waivers agreed for placements of between £50k and £100k, 2 between £100k and £150k and 11 for a value of over £200k.

**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 processed

## Environment &amp; Community Portfolio Budget Monitoring Summary

2021/22 Actuals £'000	Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>ENVIRONMENT &amp; COMMUNITY PORTFOLIO</b>							
	<b>Street Scene &amp; Green Spaces</b>							
1,082	Arboriculture Management	757	772	957	185	1	0	0
-164	Business Support and Markets	-64	-23	125	148	2	106	0
200	Senior Management	1,134	1,251	1,251	0		0	0
1,417	Performance Management and Business Support	439	207	207	0			
6,039	Parks and Green Spaces	6,073	6,182	6,267	85	3	0	0
0	Carbon Management	0	147	147	0		0	0
18,582	Waste Services	19,654	20,152	19,072	-1,080	4	-788	-800
5,789	Neighbourhood	6,223	6,572	6,572	0		0	0
<b>32,945</b>		<b>34,216</b>	<b>35,260</b>	<b>34,598</b>	<b>-662</b>		<b>-682</b>	<b>-800</b>
	<b>Transport Operations and Depot</b>							
504	Transport Operations and Depot Management	594	594	594	0		0	0
<b>504</b>		<b>594</b>	<b>594</b>	<b>594</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>Traffic, Parking and Highways</b>							
248	Traffic & Road Safety	133	133	-46	-179	5	-87	0
-6,967	Parking	-9,462	-8,962	-8,474	488	6-13	647	1,000
6,072	Highways (including London Permit Scheme)	8,813	8,813	8,617	-196	14	0	0
<b>-647</b>		<b>-516</b>	<b>-16</b>	<b>97</b>	<b>113</b>		<b>560</b>	<b>1,000</b>
<b>32,802</b>	<b>TOTAL CONTROLLABLE</b>	<b>34,294</b>	<b>35,838</b>	<b>35,289</b>	<b>-549</b>		<b>-122</b>	<b>200</b>
2,630	<b>TOTAL NON-CONTROLLABLE</b>	6,689	6,712	6,712	0		0	0
2,449	<b>TOTAL EXCLUDED RECHARGES</b>	2,336	2,336	2,336	0		0	0
<b>37,881</b>	<b>PORTFOLIO TOTAL</b>	<b>43,319</b>	<b>44,886</b>	<b>44,337</b>	<b>-549</b>		<b>-122</b>	<b>200</b>

## Reconciliation of Latest Approved Budget

£'000

Original Budget 2022/23

43,319

Carry Forward Requests approved from 2021/22

## Central Contingency Adjustments

Contract Inflation

Waste Collection &amp; Disposal

810

Neighbourhood

107

Parks Management &amp; Grounds Maintenance

153

Arboricultural Services

14

1,084

Parking income

500

Other

Repairs and Maintenance

23

Provision for agency workers contract savings

-23

Adj to NI budget following reversal of 2022-23 increase in November

-17

Latest Approved Budget for 2022/23

44,886

## **REASONS FOR VARIATIONS**

### **1. Arboriculture Management £185k**

There is a total of £4k overspend on staffing salaries which has arisen as a result of a higher than anticipated inflationary uplift on posts funded through the earmarked reserve for the Tremendous project.

There is a projected overspend of £181k on tree maintenance which has arisen as a result of works being instructed following cyclical inspections of trees in the borough, with works necessary to manage risk in relation to health and safety and potential future insurance claims. Historically, there have been in-year overspends of between £200 – 300k.

### **2. Business Support & Markets Dr £148k**

Street trading income remains affected by the continuation, under the Business and Planning Act 2020 (Pavement Licences) (Coronavirus) (Amendment) Regulations 2021, of pavement licences. This was a temporary measure, originally introduced during the Covid pandemic but now extended into 2023 with a view to being made permanent, which allows businesses to apply for a pavement licence for a £100 administration fee with no ongoing charges. This is a significant reduction compared to the permanent street trading licence scheme where the fees charged are significantly higher and are subject to periodic renewal. The estimated net impact on the Council this year remains a net loss of c£80k. January 2023 fees are down slightly on comparable years, while always subdued in January, the strong retail headwinds may mean traders are less keen to resume their full trading bookings as early in the year as normal and we may see the depressed income continue in February and March.

Market income is also still anticipated to be under budget by c£76k this year. This continues the trend over the last two years which has seen a decline in the number of market traders following the initial impact of the Covid pandemic. Skip licenses will underachieve the annual budget by £7k as currently the skip numbers are down on previous comparable years. The licenses are strongly connected to general building works and home improvements. Such projects are either reduced or postponed due to the current economic situation (cost of living and increased building supplies costs). Cleaning costs for Bromley market will overspend by £2k.

There is a projected overspend on staff salaries of £23k, an agency supervisor is still in position until a permanent officer will be recruited. A £40k underspend declared on the staff advertising and the assembly and disassembly of markets, as number of stalls is reduced.

### **3. Parks and Green Spaces, Dr 85k**

A total of £38k has been spent on countryside stewardship, with this due to be reimbursed by the Rural Payments Agency. £24k was incurred as a result of the safety measures taken following the urgent removal of floodlights in Crystal Palace Park by the Greater London Authority; this is due to be reimbursed.

An overspend of £10k has been incurred for pest control in parks. This was previously delivered as a benefit of a concessionary arrangement with a provider which was decommissioned in 2022.

An overspend of £13k relates to ecological oversight required for improvements at Scadbury Park.

### **4. Waste Services Cr £1,080k**

In setting the budget for 2022/23, account was taken of the significant increase in waste volumes collected from residential properties that had occurred since 2020. This was explained mainly as more people working from home following Covid restrictions, as well as an increase in the amount of waste generated from more home deliveries. As 2021 progressed, it appeared that this would be a long term and permanent change in domestic habits with a corresponding long term increase in recycling processing and waste handling costs, and the 2022/23 budget therefore was increased by £800k.

However, as previously reported, it became apparent in the final quarter of 2021/22 and into the first quarter of 2022/23 that waste volumes had moderated and even declined and the increased budget provision of £800k was not required. This trend has been sustained into the second quarter of this financial year with waste officers confirming that waste volumes have continued to be at pre-Covid levels.

The recent review of property numbers from which waste is collected has identified an overall increase which will result in an increase in the LOT 2 core invoice for waste collection services. The value of this increase between October and the end of the financial year is £12k (i.e. £2k per month) with a full year cost of c£24k which will need to be reflected in next year's financial forecast.

On the income side, there is a net £252k overachievement between Trade and Commercial Waste income generated (for collected and hired waste, £48k underachievement of the budget) and the overall recycling income generated by the service (£300k overachievement of the budget).

There are other underspends in the service on the ICT Software and Maintenance lines, a total of £40k.

### **5. Traffic & Road Safety Cr £179k**

The Assistant Director for Traffic and Parking anticipates that all staffing costs this year can be fully funded and managed within the service's budget and from the LIP grant funding and no variation in this respect is being projected.

Advertising income from JD Decaux is predicted to overachieve the budget by £61k, assuming current trends continue to the end of the financial year. Similarly for Road Closure Charges (Temporary Traffic Orders), if income levels are maintained as in the previous two financial years, the budget will overachieve by £118k.

## **Parking, Dr £489k**

	<b>Total £'000</b>	
<b>Summary of variations within Parking</b>		
Car Parks	315	
On Street	-10	
Permits	-264	
RingGo fees	-218	
<b>Parking fees total:</b>		<b>-177</b>
Enforcement PCNs issued by CEOs	-324	
Moving Traffic Contraventions (MTCs)	1,600	
Bus Lanes	220	
School keep clear markings	-30	
<b>Enforcement total:</b>		<b>1,466</b>
Parking Shared Services	-250	
Traffic committee	-50	
Central Contingency	-500	
<b>Total variations</b>	<b>489</b>	

## **6. Car Parks (off street and multistorey car parks) Dr £315k**

In recent years there has been a marked change in the use of vehicles for trips to town centres and for commuting. This has had an impact on the use of off-street car parking spaces, resulting in a lower income to the Council.

## **7. On Street Car Parks Cr £10k**

On street parking income is projected to overachieve the budget by £10k.

## **8. Permit Parking Cr £264k**

A surplus is now anticipated for permit parking with strong activity in the third quarter; the projected overachievement is £264k.

## **9. Ringo Fees, Cr £218k**

The amount that the Council receives from RingGo fees continues to be buoyant into the third quarter of the financial year, as the increased use of this payment method to pay for parking fees appears to be sustained and an overachievement of £218k is projected.

## **10. Car Parking Enforcement Dr £1,446k**

### **Enforcement PCNs by CEOs, Cr £324k**

Based on activity levels in the year to date, particularly in the third quarter to December, there is now a projected income overachievement of £324k from PCN's issued by enforcement officers.

### **Moving Traffic Contraventions (MTCs), Dr £1,600k**

Since the introduction of enforcement of moving traffic contraventions in October 2021, the actual number of tickets issued has been significantly lower than anticipated. Officers believe that this has been the result of changes in traffic patterns post Covid-19 pandemic, alongside the Borough's fair approach to enforcement. The projected shortfall for the year remains unchanged from Q2 at £1,600k.

### **Bus Lanes, Dr £220k**

As has been reported previously, compliance of the Bus Lanes continue to improve and therefore this income budget underachieved by £224k in 2021/22. It is projected to be underachieved by £220k this year.

### **Schools keep clear markings and Bus Stops, Cr £30k**

There is a projected overachievement of £30k from this budget due to a new camera at a bus stop that had a known enforcement problem and was causing problems to the bus network.

## **11. Parking Shared Service Cr £250k**

The position remains unchanged and there is a net projected underspend of £250k for the Parking Shared Service mainly due to underspends on staffing as a result of vacancies across both boroughs as well as a reduction in the number of agency staff employed. Officers plan to recruit to some of these posts in 2023/24.

## **12. Traffic Committee for London fees Cr £50k**

There was an underspend of £50k on this budget in 2021/22 and a similar variation continues to be anticipated this year.

## **13. Central Contingency Cr £500k**

As previously reported, in setting the budget for 2022/23, the Executive took into account the risk of possible continuing losses and set aside a further provision of £500k in the Central Contingency budget. As agreed by the Executive in October, this amount has now been drawn down to the Parking income budget. The situation remains under constant review.

#### **14. Highways, including London Permit Scheme Cr 196k**

The payments for the Traffic signal maintenance underspends by £86k this quarter. These costs vary year by year and are determined by TfL.

Staffing incurs an underspend of £40k across the service (Street Lighting, London Permits and Highways).

Highways are overachieving on income in the areas of Defect Notices, Section 74 Notices, Fixed Penalty Notices by £70k.

#### **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 Subcommittee 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.

## Public Protection &amp; Enforcement Budget Monitoring Summary

2021/22 Actuals £'000	Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>Public Protection</b>							
371	Community Safety	427	486	500	14	1	18	0
161	Emergency Planning	146	146	156	10	2	13	0
548	Mortuary & Coroners Service	603	603	787	184	3	96	0
1,466	Public Protection	1,469	1,453	1,453	0		-31	0
<b>2,546</b>	<b>TOTAL CONTROLLABLE</b>	<b>2,645</b>	<b>2,688</b>	<b>2,896</b>	<b>208</b>		<b>96</b>	<b>0</b>
617	<b>TOTAL NON CONTROLLABLE</b>	6	6	6	0		0	0
836	<b>TOTAL EXCLUDED RECHARGES</b>	811	816	816	0		0	0
<b>3,999</b>	<b>PORTFOLIO TOTAL</b>	<b>3,462</b>	<b>3,510</b>	<b>3,718</b>	<b>208</b>		<b>96</b>	<b>0</b>

## Reconciliation of Latest Approved Budget

£'000

Original Budget 2022/23

3,462

Carry Forward Requests approved from 2021/22

## Other

Provision for agency workers contract savings

-8

Adj to NI budget following reversal of 2022-23 increase in November

-8

Domestic Abuse team moved from CHN services

64

Latest Approved Budget for 2022/23

3,510

## **REASONS FOR VARIATIONS**

### **1. Community Safety Dr £14k**

There is a projected overspend of £18k in the costs of the Community Safety & Management Team, partially offset by a small underspend on the Nuisance & ASB Team.

### **2. Emergency Planning Dr £10k**

This projected overspend relates to the anticipated additional cost of emergency response standby allowances for the year.

### **3. Mortuary & Coroners Service Dr £184k**

Major renovations to the mortuary facilities at the Princess Royal University Hospital continue meaning that post-mortems will instead be conducted in Denmark Hill. With finite facilities at this alternative site, a backlog is anticipated. As bodies will remain in storage for longer, the Council will inevitably incur additional costs. Further to this, there has been higher than anticipated demand on the service and higher than expected inflationary increases to service fees.

## **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 Subcommittee 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 &amp; Housing Budget Monitoring Summary

2021/22 Actuals £'000	Division Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>PLACE DEPARTMENT</b>							
	<b>Planning</b>							
99	Building Control	90	90	303	213	1	244	0
Cr 128	Land Charges	Cr 126	Cr 126	Cr 62	64	2	0	0
1,707	Planning	1,493	1,677	1,777	100	3	0	0
<b>1,678</b>		<b>1,457</b>	<b>1,641</b>	<b>2,018</b>	<b>377</b>		<b>244</b>	<b>0</b>
	<b>Culture &amp; Regeneration</b>							
908	Culture	830	1,031	1,046	15	4	25	0
4,649	Libraries	4,873	5,442	5,442	0		0	0
23	Economic Development	80	262	262	0		0	0
<b>5,580</b>		<b>5,783</b>	<b>6,735</b>	<b>6,750</b>	<b>15</b>		<b>25</b>	<b>0</b>
	<b>Operational Housing</b>							
1,314	Housing Strategy, Advice and Enabling	1,460	1,477	1,528	51	5	51	0
Cr 1,089	Housing Benefits	Cr 1,539	Cr 1,539	Cr 1,539	0		0	0
Cr 175	Housing Improvement	Cr 30	Cr 31	Cr 74	Cr 43	6	Cr 33	0
6,406	Allocations and Accommodation	4,295	4,291	5,184	893	7	655	324
877	Supporting People	1,070	1,044	942	Cr 102	8	Cr 118	Cr 94
1,488	Housing Options and Support	2,006	2,001	1,615	Cr 386	9	Cr 62	0
<b>8,821</b>		<b>7,262</b>	<b>7,243</b>	<b>7,656</b>	<b>413</b>		<b>493</b>	<b>230</b>
<b>16,079</b>	<b>Total Controllable</b>	<b>14,502</b>	<b>15,619</b>	<b>16,424</b>	<b>805</b>		<b>762</b>	<b>230</b>
2,141	<b>TOTAL NON CONTROLLABLE</b>	Cr 883	Cr 990	Cr 990	0		0	0
5,555	<b>TOTAL EXCLUDED RECHARGES</b>	5,627	5,627	5,627	0		0	0
<b>23,775</b>	<b>TOTAL RR &amp; H PORTFOLIO TOTAL</b>	<b>19,246</b>	<b>20,256</b>	<b>21,061</b>	<b>805</b>		<b>762</b>	<b>230</b>

## Reconciliation of Latest Approved Budget

£'000

## Original budget 2022/23

19,246

## Carry Forward Requests approved from 2021/22

Rough Sleepers Initiative Grant expenditure		228
Rough Sleepers Initiative Grant income	Cr	228
Homelessness Reduction Grant		89
Homelessness Reduction Grant	Cr	89
New Burdens Funding Grant expenditure		124
New Burdens Funding Grant income	Cr	124
Local Plan Implementation		120
New Homes Bonus - Regeneration		73

## Central Contingency Adjustments

Accommodation for Ex-Offenders expenditure		70
Accommodation for Ex-Offenders income	Cr	70
Rough Sleepers Initiative Grant expenditure		455
Rough Sleepers Initiative Grant income	Cr	455
Norman Park grant		151
Libraries contract inflation		54
Resources to address Planning minor applications backlog		90
Funding of Economic Development posts		109
Local London membership subscription		50
Libraries refresh		515
Provision for agency workers contract savings	Cr	14
Homes for Ukraine expenditure		821
Homes for Ukraine grant	Cr	821
Homeless Prevention Initiatives expenditure		883
Homeless Prevention Initiatives grant	Cr	883

## Other

Local Plan Review funded from Growth Fund		
- expenditure		600
- income	Cr	600
R&M Planned Maintenance adjustment	Cr	107
Adj to NI budget following reversal of 2022-23 increase in November	Cr	31

## Latest Approved Budget for 2022/23

20,256

## **REASONS FOR VARIATIONS**

### **1. Building Control Dr £213k**

For the chargeable service, an income deficit of £193k is projected based on actual income so far this year. A review of fees and charges was carried out in Q2 to ensure the service complies with Building Account Regulations, which requires that the service operates on a full cost recovery basis (i.e. does not make a surplus or is subsidised on an ongoing basis). Revised charges were implemented on 1 October, which is helping to increase income and has reduced the forecast shortfall by £51k from Q2. A £20k overspend is forecast on the salaries budget, mainly due to use of agency staff to cover vacancies. In accordance with the Regulations, any surplus or deficit in year is charged to or funded from the Building Control Charging Account earmarked reserve, and would leave a total deficit balance of £235k to recover from income in future years

### **2. Land Charges Dr £64k**

A £52k shortfall of land charges income compared to budget is now being forecast, due to reduced activity in Q3. There is also a £12k overspend forecast on the staffing budget, resulting in an overall overspend now being forecast of £64k.

### **3. Planning Dr £100k**

A £187k shortfall of planning fee income compared to budget is now being forecast, as receipts in the first three quarters of this financial year have been significantly lower than last year. There are, however, underspends on the salaries budget due to vacancies, which results in a net overspend being forecast of £100k.

### **4. Culture Dr £15k**

Following the death of HM Queen the borough's Operation London Bridge plan was enacted. This generated costs that had not been budgeted for at the start of the year in relation to the ceremonies the borough was required to deliver, the screening of the funeral, and the production of a memorial quilt which is ongoing.

### **5. Housing Strategy, Advice and Enabling Dr £51k**

There are three posts within the service which are unfunded. Options to address this are being reviewed and some short term funding identified to ease some of the pressures on this service area.

### **6. Housing Improvement Cr £43k**

In year vacancies during a period of recruitment are expected to result in an underspend of £43k.

### **7. Allocations and Accommodation Dr £893k**

There is currently a forecast overspend of £1,630k in the Temporary Accommodation before projected savings from increasing the supply of affordable housing. For this round of budget monitoring the number of Households in Temporary Accommodation was 1,064. It is currently expected that this will increase to 1,109 by the end of the financial year, at an average cost of around £7,110 per household per annum. This is partly offset by the Homeless Prevention Initiatives allocation in contingency and exceptional winter top up of the Homeless Prevention Grant top totalling £883k which are being requested for draw down this cycle.

These 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 1,551 households in Temporary Accommodation.

Transformation savings totalling £1,286k were identified at the start of 2022-23 to provide a longer term alternative to expensive nightly paid accommodation. Included in this Meadowship Homes (£1,043k) and (Burnt Ash Lane £39k) continue to progress and schemes at Bushell Way, Anerley Town Hall car park and Beehive are now complete. Savings of £127k are expected to be achieved over the remainder of the financial year. The Full Year Effect of these savings is estimated at around £2.2m.

There is also currently a forecast overspend on salaries of £25k. This is due mainly to the cost of funding two short term posts to meet the additional work load created by the new schemes. There are some vacancies within the service which are partly offsetting this additional cost.

	<b>£'000</b>
<b>Summary of overall variations within Allocations and Accommodation:</b>	
Temporary Accommodation	747
More Homes Bromley Guarantee	248
Transformation Savings still to be delivered	Cr 127
Salaries	25
<b>Total variation for Allocations and Accommodation</b>	<b>893</b>

### **8. Supporting People Cr £102k**

A £102k underspend is currently forecast in the Supporting People area mainly as a result of procurement exercises during 2021/22 and 2022/23 containing costs within inflation that had accumulated in the budget whilst the previous contracts had been fixed for a number of years. There has been a virement of £26k from this budget to the HOPE contract in the Housing Strategy, Advice and Enabling service area to fund in-year one off additional costs.

### **9. Housing Options and Support Cr £386k**

There are a number of vacancies within the service and some posts are difficult to fill. Temporary posts have been created to try and address this. The current projected underspend is £63k.

There is a forecast underspend of £325k on the work carried out around Homelessness Prevention, which is been impacted on by the challenges in recruiting staff during the course of the financial year.

The Travellers budget has been realigned during the 2022-23 budget setting process and this should reduce some of the previous variances including the running costs and fee income. The Traveller Site Manager post continues to be difficult to fill and will result in an in-year underspend on salaries.

### **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 Subcommittee 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, one virement has been actioned. to implement contract upgrades for the HOPE contract. £26k has been vired from the underspend in Supporting People to the Housing Strategy and Enabling service area. This is one off virement for 2022-23 only.

## Resources, Commissioning &amp; Contracts Management Portfolio Budget Monitoring Summary

2021/22 Actuals £'000		2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>CHIEF EXECUTIVE'S DEPARTMENT</b>							
	<b>FINANCIAL SERVICES DIVISION</b>							
248	Director of Finance & Other	251	251	251	0		0	0
7,349	Exchequer - Revenue & Benefits	6,109	6,044	6,021	Cr 23	1	0	0
477	Exchequer - Payments & Income	2,163	2,163	2,163	0		0	0
1,678	Financial Accounting	657	657	657	0		0	0
799	Management Accounting	1,760	1,760	1,760	0		0	0
	Audit	831	865	865	0		0	0
<b>10,551</b>	<b>Total Financial Services Division</b>	<b>11,771</b>	<b>11,740</b>	<b>11,717</b>	<b>Cr 23</b>		<b>0</b>	<b>0</b>
	<b>CORPORATE SERVICES DIVISION</b>							
5,818	Information Systems & Telephony	6,017	6,750	6,750	0		0	0
	<b>Legal Services &amp; Democracy</b>							
407	Electoral	1,079	1,126	1,126	0		0	0
1,339	Democratic Services	1,514	1,548	1,513	Cr 35	2	0	0
167	Mayoral	173	173	173	0		0	0
2,917	Legal Services	2,209	2,519	3,019	500	3	500	0
569	Procurement and Data Management	545	545	545	0		0	0
184	Management and Other (Corporate Services)	220	220	220	0		0	0
<b>11,401</b>	<b>Total Corporate Services Division</b>	<b>11,757</b>	<b>12,881</b>	<b>13,346</b>	<b>465</b>		<b>500</b>	<b>0</b>
	<b>HR AND CUSTOMER SERVICES DIVISION</b>							
1,899	Human Resources	2,210	2,210	2,210	0		0	0
317	Learning and Development	147	147	176	29	4	29	0
	<b>Customer Services</b>							
1,134	Contact Centre	1,172	1,172	1,172	0		0	0
Cr 139	Registration of Births, Deaths & Marriages	Cr 120	Cr 120	Cr 120	0		0	0
225	CE - Consultation & Communication	305	317	317	0		0	0
<b>3,436</b>	<b>Total HR &amp; Customer Services Division</b>	<b>3,714</b>	<b>3,726</b>	<b>3,755</b>	<b>29</b>		<b>29</b>	<b>0</b>
	<b>CHIEF EXECUTIVE'S DIVISION</b>							
796	Management and Other (C. Exec)	903	903	903	0		0	0
<b>796</b>	<b>Total Chief Executive's Division</b>	<b>903</b>	<b>903</b>	<b>903</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>CENTRAL ITEMS</b>							
1,179	CDC & Non Distributed Costs (Past Deficit etc.)	1,284	1,284	1,284	0		0	0
9,475	Concessionary Fares	5,972	5,972	5,972	0		0	0
<b>36,838</b>	<b>TOTAL CONTROLLABLE CE DEPT</b>	<b>35,401</b>	<b>36,506</b>	<b>36,977</b>	<b>471</b>		<b>529</b>	<b>0</b>
675	<b>TOTAL NON CONTROLLABLE</b>	3,242	3,239	3,239	0		0	0
Cr 17,324	<b>TOTAL EXCLUDED RECHARGES</b>	Cr 17,569	Cr 17,569	Cr 17,569	0		0	0
<b>20,189</b>	<b>TOTAL CE DEPARTMENT</b>	<b>21,074</b>	<b>22,176</b>	<b>22,647</b>	<b>471</b>		<b>529</b>	<b>0</b>
	<b>CHILDREN, EDUCATION AND FAMILIES DEPARTMENT</b>							
	<b>Strategy and Corporate Projects</b>							
229	Commissioning	232	230	141	Cr 89	5	Cr 54	0
2,126	Strategy, Performance and Engagement	1,831	1,831	1,772	Cr 59	6	85	0
<b>2,355</b>	<b>TOTAL CONTROLLABLE CEF DEPT</b>	<b>2,063</b>	<b>2,061</b>	<b>1,913</b>	<b>Cr 148</b>		<b>31</b>	<b>0</b>
300	<b>TOTAL NON CONTROLLABLE</b>	4	4	4	0		0	0
Cr 2,956	<b>TOTAL EXCLUDED RECHARGES</b>	Cr 2,129	Cr 2,129	Cr 2,129	0		0	0
<b>Cr 301</b>	<b>TOTAL CEF DEPARTMENT</b>	<b>Cr 62</b>	<b>Cr 64</b>	<b>Cr 212</b>	<b>Cr 148</b>		<b>31</b>	<b>0</b>
	<b>ENVIRONMENT &amp; COMMUNITY SERVICES DEPARTMENT</b>							
	<b>Total Facilities Management</b>							
1,949	Admin Buildings & Facilities Support	1,628	2,940	2,960	20	7	20	0
280	Investment & Non-Operational Property	311	311	311	0		0	0
364	Strategic & Operational Property Services	962	962	962	0		0	0
1,510	TFM Client Monitoring Team	1,694	1,694	1,694	0		0	0
Cr 1,350	Other Rental Income - Other Portfolios	Cr 1,582	Cr 1,582	Cr 1,582	0		0	0
4,006	Repairs & Maintenance (All LBB)	3,314	3,314	3,314	0		0	0
<b>6,759</b>	<b>TOTAL CONTROLLABLE ECS DEPT</b>	<b>6,327</b>	<b>7,639</b>	<b>7,659</b>	<b>20</b>		<b>20</b>	<b>0</b>
84	<b>TOTAL NON CONTROLLABLE</b>	466	466	466	0		0	0
Cr 4,438	<b>TOTAL EXCLUDED RECHARGES</b>	Cr 4,308	Cr 4,308	Cr 4,308	0		0	0
Cr 1,869	<b>Less: R&amp;M allocated across other Portfolios</b>	Cr 1,628	Cr 1,628	Cr 1,628	0		0	0
1,350	<b>Less: Rent allocated across other Portfolios</b>	1,582	1,582	1,582	0		0	0
<b>1,886</b>	<b>TOTAL ECS DEPARTMENT</b>	<b>2,439</b>	<b>3,751</b>	<b>3,771</b>	<b>20</b>		<b>20</b>	<b>0</b>

21,774	TOTAL RCCM PORTFOLIO	23,451	25,863	26,206	343	580	0
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**Reconciliation of Latest Approved Budget**
**£'000**
**Original budget 2022/23**
**23,451**
**Carry Forward Requests approved from 2021/22**

Local Digital Cyber Fund expenditure	100	
Local Digital Cyber Fund income	-100	
Audit Support	34	
Members IT	34	68
	<u>34</u>	

**Central Contingency Adjustments**

Energy contract (part year)	1,312	
Local election May 2022	47	
Legal Support – children's and adults social care	170	
Inflation	12	
IT contract procurement	653	
Resources to support GDPR compliance	80	
Additional Legal costs	140	

**Other Budget Movements**

Repairs and Maintenance	Cr	3
Provision for agency workers contract savings	Cr	22
Adj to NI budget following reversal of 2022-23 increase in November	Cr	45
Step Up to Social Work transferred to HR from CEF		
- expenditure		900
- income	Cr	900

**Latest Approved Budget for 2022/23**
**25,863**

## **REASONS FOR VARIATIONS**

### **1. Exchequer - Revenue & Benefits Cr £23k**

A £23k underspend is forecast on the staffing budget due to vacancies.

### **2. Democratic Services Cr £35k**

A £35k underspend is forecast on the employees budget.

### **3. Legal Services Dr £500k**

The overspend of £500k remains unchanged from Q2, with the increase in demand for use of counsel similar to the previous financial year, particularly in respect of childcare cases. The Assistant Director for Legal Services has provided the following narrative:

*Legal services is a demand led service and in recent years there has been an upward trend in childcare cases issued by the local authority, and the courts are listing more hearings per case. This has therefore increased spend on counsel, however, the legal budget for counsel has not increased to accommodate for this upward cost pressure. Although the in-house team carry out advocacy to mitigate spend on counsel, they are required to focus on case work.*

*The court bundle lists indicate that in year 2019-20 there were circa 380 hearings. In 2020/21, there was an increase to circa 510 hearings which, whilst not unprecedented, is a significant rise on the previous year. In 2021/22, the figure was circa 420. Between April 2021 and April 2022, to counter external spend, the team has carried out circa 116 hearings in-house, and the team continues to face complex and lengthy cases (for example, an ongoing case ran for 14 days in court and on another case, the Local Authority were requested by the Judge to appoint a senior counsel). The team has also had to deal with an increasing number of DOLS (Deprivation of Liberty) cases. As an example, there have been 15 hearings on one young person's matter. The court identified an issue with cases having a large number of CMH (Case Management hearings). In May 2021, 30 LBB cases were so flagged with one case having had 17 hearings at that point and another 14.*

*The Planning Litigation and Licensing Legal team has also overspent on the budget for counsel's fees. These cases involve planning inquiries before an Inspector, advice concerning planning enforcement action, civil litigation including judicial and statutory review in the Administrative and Planning Court, an application to the Court of Appeal and criminal litigation including attendance at the Crown Court. Some of these cases are complex necessitating the instruction of senior Counsel to ensure the best outcome. In particular, an application for an injunction (and subsequent committal proceedings) in respect of breaches of planning control for land at the junction of Sevenoaks Road and Wheatsheaf Hill, Halstead has attracted a high profile where the service had to instruct a junior and senior counsel to represent the Council in court. It should be noted that the in-house team do not have right of audience at High Court, Court of Appeal and Crown Courts and therefore need to instruct counsel.*

*Due to the increased instructions to legal services on contracts, contract disputes, housing, regeneration, education capital projects and commercial property-related matters arising, the Legal commercial team has had to engage locum lawyers in order to meet the increased demand, thereby putting pressure on the staffing budget.*

*The Director of Corporate Services and Governance has issued a new procedure for instructing counsel for service directors to agree. This includes putting in measures to control expenditure on counsel and giving service departments more ownership of expenditure relating to their cases. The Director of Corporate Services and Governance will also oversee a review of Legal services to look at the work of the service, budget and resourcing requirements.*

### **4. Learning & Development Dr £29k**

The overspend in this area is caused by staffing variance of £17k and an under collection on income of £34k. This is being offset by an underspend of £22k on running costs

### **5. Commissioning Cr £54k**

The underspend in this area is mainly being caused by lower than expected staffing costs

### **6. Strategy, Performance and Engagement Dr £85k**

The overspend in this area is caused by staffing variance of £54k and an under collection on income of £80k. This is being offset by an underspend of £49k on running costs

### **7. Admin Buildings & Facilities Support Dr £20k**

Additional temporary cleaning measures have been reinstated through to March 2023 in order to prevent the spread of Covid this winter. This is expected cost an additional £20k above budget in this financial year.

### **Waiver of Financial Regulations:**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be 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 Subcommittee bi-annually. Since the last report to the Executive, no waivers have been actioned.

**Virements Approved to date under Director's Delegated Powers**

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

## Allocation of Contingency Provision for 2022/23

Item	Original Contingency Provision	Allocations				Total Allocations/Projected for Year	Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year			
	£	£	£	£	£	£	
<b>General</b>							
Provision for Unallocated Inflation	3,977,000	2,732,000		0	2,732,000	(1 & 3) Cr 1,245,000	
Increase in Cost of Homelessness/Impact of Welfare Reforms	1,825,000			200,000	200,000	Cr 1,625,000	
Provision for increase in employer national insurance-outsourced services	910,000			0	0	Cr 910,000	
General Provision for Risk/Uncertainty	3,500,000			250,000	250,000	Cr 3,250,000	
Provision for Risk/Uncertainty Relating to Volume & Cost Pressures	2,871,000			0	0	Cr 2,871,000	
Growth for Waste Services	187,000			0	0	Cr 187,000	
Universal Credit roll out - Claimant Fault Overpayment Recoveries	750,000			0	0	Cr 750,000	
Deprivation of Liberty	118,000			0	0	Cr 118,000	
Building Infrastructure Fund	2,000,000			2,000,000	2,000,000	0	
Provision for potential loss of car park income	500,000	500,000		0	500,000	(1) 0	
Property income recovery/rent variations	500,000	500,000		0	500,000	(1) 0	
Legal support - children and adults social care	170,000	170,000		0	170,000	(1) 0	
Provision of agency workers contract saving	Cr 260,000	Cr 260,000		0	Cr 260,000	(3) 0	
Planning Application backlog	0	90,000		0	90,000	(1) 90,000	
Economic Development posts	0	109,000		0	109,000	(1) 109,000	
Norman Park	0	151,000		0	151,000	(1) 151,000	
Local London Membership	0	50,000		0	50,000	(1) 50,000	
Local election	0	47,000		0	47,000	(1) 47,000	
IT contract procurement	0	989,000		0	989,000	(1) 989,000	
SARS	0	80,000		0	80,000	(1) 80,000	
Additional social workers re caseloads (£2m to a reserve)	0	2,400,000		0	2,400,000	(1) 2,400,000	
Temporary increase in CIN social workers (COVID related)	0	250,000		0	250,000	(1) 250,000	
Business Rates Surplus Levy	0		Cr 322,659	0	Cr 322,659	(4) Cr 322,659	
Additional legal costs	0	140,000		0	140,000	(5) 140,000	
Homes for Ukraine Grant allocated to Departments	0			Cr 1,078,000	Cr 1,078,000	(4) Cr 1,078,000	
Legal Reserve to support potential additional costs in 2023/24	0		635,000		635,000	(4) 635,000	
Education Reserve to fund additional costs in 2023/24 and 2024/25			630,000		630,000	(4) 630,000	
<b>Adult Care &amp; Health Portfolio</b>							
<b>Better Care Fund</b>							
Grant Related Expenditure		402,000		0	402,000	(1) Cr 402,000	
Grant Related Income		Cr 402,000		0	Cr 402,000	Cr 402,000	
<b>Improved Better Care Fund</b>							
Grant Related Expenditure		227,000		0	227,000	(1) Cr 227,000	
Grant Related Income		Cr 227,000		0	Cr 227,000	Cr 227,000	
<b>Public Health Grant</b>							
Grant Related Expenditure		427,000		0	427,000	(1) Cr 427,000	
Grant Related Income		Cr 427,000		0	Cr 427,000	Cr 427,000	
<b>ICS funding</b>							
Grant Related Expenditure		4,528,000		0	4,528,000	(1) Cr 4,528,000	
Grant Related Income		Cr 4,528,000		0	Cr 4,528,000	Cr 4,528,000	
<b>King's funding for SPA</b>							
Grant Related Expenditure		500,000		0	500,000	(1) Cr 500,000	
Grant Related Income		Cr 500,000		0	Cr 500,000	Cr 500,000	
<b>Market Sustainability and Fair Cost of Care Fund</b>							
Grant Related Expenditure		804,000		0	804,000	(1) Cr 804,000	
Grant Related Income		Cr 804,000		0	Cr 804,000	Cr 804,000	
<b>Charging Reform Implementation Support Grant</b>							
Grant Related Expenditure		104,000		0	104,000	(1) Cr 104,000	
Grant Related Income		Cr 104,000		0	Cr 104,000	Cr 104,000	
<b>Supplementary Substance Misuse Treatment &amp; Recovery Grant</b>							
Grant Related Expenditure		264,343		0	264,343	(2) Cr 264,343	
Grant Related Income		Cr 264,343		0	Cr 264,343	Cr 264,343	
<b>Additional Winter Pressures Funding</b>							
Grant Related Expenditure			2,314,000	0	2,314,000	(4) Cr 2,314,000	
Grant Related Income			Cr 2,314,000	0	Cr 2,314,000	Cr 2,314,000	
<b>Children, Education and Families</b>							
<b>SEND Transport Growth</b>	1,000,000		1,000,000		1,000,000	(4) 0	
<b>Homes for Ukraine - DfE Grant</b>							
Grant Related Expenditure		350,000		929,739	1,279,739	(2) Cr 1,279,739	
Grant Related Income		Cr 350,000		Cr 929,739	Cr 1,279,739	Cr 1,279,739	
<b>Renewal, Recreation &amp; Housing</b>							
<b>Property Valuation</b>	100,000				0	Cr 100,000	
<b>Planning Appeals - change in legislation</b>	60,000				0	Cr 60,000	
<b>Accommodation for Ex-Offenders</b>							
Grant Related Expenditure		69,500			69,500	(1) Cr 69,500	
Grant Related Income		Cr 69,500			Cr 69,500	Cr 69,500	
<b>New Homes Bonus - Regeneration</b>							
Grant Related Expenditure		72,521			72,521	(3) 72,521	

**APPENDIX 4**

Grant Related Income		Cr	72,521				Cr	72,521		Cr	72,521	
Homes for Ukraine - General Grant												
Grant Related Expenditure			821,000	1,228,000	4,083,000			6,132,000			6,132,000	
Grant Related Income		Cr	821,000	Cr	1,228,000	Cr	4,083,000	Cr	6,132,000	(2)	Cr	6,132,000
Homes for Ukraine - Thank you payments												
Grant Related Expenditure			515,900					515,900			515,900	
Grant Related Income		Cr	515,900					Cr	515,900	(2)	Cr	515,900
	<b>18,208,000</b>		<b>7,948,000</b>	<b>1,942,341</b>	<b>1,372,000</b>			<b>11,262,341</b>			<b>Cr</b>	<b>6,945,659</b>
<b>Grants included within Central Contingency Sum</b>												
Rough Sleeping Initiative												
Grant Related Expenditure	104,000		455,000					455,000		(1)		351,000
Grant Related Income	Cr 104,000	Cr	455,000					Cr	455,000		Cr	351,000
Homeless Prevention Initiatives												
Grant Related Expenditure	424,000			883,000				883,000		(4)		459,000
Grant related Income	Cr 424,000			Cr	883,000			Cr	883,000		Cr	459,000
Tackling Troubled Families												
Grant Related Expenditure	628,000		490,000			138,000		628,000		(3)		0
Grant related Income	Cr 628,000	Cr	490,000			Cr	138,000	Cr	628,000			0
<b>TOTAL CARRIED FORWARD</b>	<b>18,208,000</b>		<b>7,948,000</b>	<b>1,942,341</b>	<b>1,372,000</b>			<b>11,262,341</b>			<b>Cr</b>	<b>6,945,659</b>

Allocation of Contingency Provision for 2022/23 (continued)

Item	Carried Forward from 2021/22	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year	
	£	£	£	£	£	£
<b>TOTAL BROUGHT FORWARD</b>	<b>18,208,000</b>	<b>7,948,000</b>	<b>1,942,341</b>	<b>1,372,000</b>	<b>11,262,341</b>	<b>Cr 6,945,659</b>
<b>Items Carried Forward from 2021/22</b>						
<b>Adult Care &amp; Health Portfolio</b>						
Social Care Funding via the CCG under S75 Agreements						
Improved Better Care Fund						
- Expenditure	2,597,185	2,597,185			2,597,185	(2) 0
- Income	Cr 2,597,185	Cr 2,597,185			Cr 2,597,185	0
Better Care Fund 2021/22						
- Expenditure	82,975	82,975			82,975	(2) 0
- Income	Cr 82,975	Cr 82,975			Cr 82,975	0
Public Health						
- Expenditure	1,964,209	1,964,209			1,964,209	(2) 0
- Income	Cr 1,964,209	Cr 1,964,209			Cr 1,964,209	0
Winter Resilience Funding						
- Expenditure	400,000	400,000			400,000	(1) 0
- Income	Cr 400,000	Cr 400,000			Cr 400,000	0
<b>Renewal, Recreation &amp; Housing Portfolio</b>						
Rough Sleepers Initiative						
- Expenditure	227,635	227,635			227,635	(2) 0
- Income	Cr 227,635	Cr 227,635			Cr 227,635	0
New Burdens Funding Grant						
- Expenditure	123,919	123,919			123,919	(2) 0
- Income	Cr 123,919	Cr 123,919			Cr 123,919	0
Homelessness Reduction Grant						
- Expenditure	89,000	89,000			89,000	(2) 0
- Income	Cr 89,000	Cr 89,000			Cr 89,000	0
<b>Children, Education and Families Portfolio</b>						
Virtual School CIN Grant						
- Expenditure	62,806	62,806			62,806	(2) 0
- Income	Cr 62,806	Cr 62,806			Cr 62,806	0
Virtual School PLAC Grant						
- Expenditure	92,669	92,669			92,669	(2) 0
- Income	Cr 92,669	Cr 92,669			Cr 92,669	0
Tackling Troubled Families Grant						
- Expenditure	334,051	334,051			334,051	(2) 0
- Income	Cr 334,051	Cr 334,051			Cr 334,051	0
Deed Settlement for Hawes Down Site						
- Expenditure	12,119	12,119			12,119	(2) 0
- Income	Cr 12,119	Cr 12,119			Cr 12,119	0
<b>Resources, Commissioning and Contracts Portfolio</b>						
Local Digital Cyber Fund						
- Expenditure	100,000	100,000			100,000	(2) 0
- Income	Cr 100,000	Cr 100,000			Cr 100,000	0
<b>General</b>						
Shared Lives Transformation posts	100,000	100,000			100,000	(1) 0
Members IT	34,000	34,000			34,000	(2) 0
Local Plan Implementation	120,000	120,000			120,000	(2) 0
Audit Support	34,000	34,000			34,000	(2) 0
Broadband at Poverest	6,103	6,103			6,103	(2) 0
EIFS waiting list and volumes	90,000	90,000			90,000	(2) 0
MOPAC Choices grant	75,000	75,000			75,000	(2) 0
Wellbeing for Education	5,821	5,821			5,821	(2) 0
<b>Total Carried Forward from 2020/21</b>	<b>464,924</b>	<b>464,924</b>	<b>0</b>	<b>0</b>	<b>464,924</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>18,672,924</b>	<b>8,412,924</b>	<b>1,942,341</b>	<b>1,372,000</b>	<b>11,727,265</b>	<b>Cr 6,945,659</b>

Notes:

(1) Portfolio Holder for Adult Care and Health, 22nd March 2022

Description	2022/23 Latest Approved Budget £'000	Variation To 2022/23 Budget £'000	Potential Impact in 2023/24
Housing Needs - Temporary Accommodation	5,990	893	The full year effect of Temporary Accommodation is currently estimated to be £2,459k. This will be reduced by planned transformation savings totalling £2,135k which have been identified for 2023-24 to provide a longer term alternative to expensive nightly paid accommodation. 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.
Assessment and Care Management - Care Placements	28,981	2,080	The full year impact of the current overspend is estimated at £2,764k. Of this amount £953k relates to residential and nursing home placements for 65+ and £660k for 18-64's. and £681k for Domiciliary care & direct payments for 65+ and £470k for 18-64's. This is based on service user numbers as at the end of December.
Learning Disabilities - including Care Placements, Transport and Care Management	42,270	57	The full year effect (FYE) is estimated at a net overspend of £1,192k. This figure is higher than the in-year overspend as demand-related growth pressures, for example transition and increased client needs, have only a part year impact in 2022/23 but a greater financial impact in a full year. Given the uncertainties that remain in relation to the delivery of savings and the transition cohort, the FYE is likely to change by year end.
Mental Health - Care Placements	6,550	Cr 25	A full year overspend of £4k is anticipated on Mental Health care packages, with residential, nursing and supported living placements £4k underspent and domiciliary care and direct payments £8k overspent.
Supporting People	1,070	Cr 94	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	42,352	8,799	The overall full year effect of the Children's Social Care overspend is a net £7,808k, analysed as Residential Care, Fostering and Adoption of £5,413k and on Leaving Care costs of £2,395k.
SEN Transport	6,480	972	The current full year effect for SEN Transport - based on the current routes - is £871k. This includes the draw down of £1m
Waste Services	20,463	Cr 800	The previously approved budget increase in respect of increased waste volumes is no longer required resulting in a full year budget reduction of £800k.
Moving Traffic Contraventions	Cr 8,962	1,650	The actual number of PCN's issued in 2022/23 has remained lower than original expectations, which officers believe is due mainly to a reduction in traffic congestion meaning fewer vehicles are contravening yellow box junctions. The full year reduction in income is estimated at c£1m.

**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:

<b>31st March 2022 £000</b>	<b>Service</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers to/(from) Capital £000</b>	<b>Projection as at 31st March 2023 £000</b>
<b><u>Revenue</u></b>					
233	Highway Improvement Works	120			353
30	Road Safety Schemes				30
8	Local Economy & Town Centres	-			8
70	Parking	10			80
0	Education	43			43
1,445	Healthcare Services	107			1,552
10	Community Facilities	-			10
443	Other	436			879
<b>2,239</b>		<b>716</b>	<b>0</b>	<b>-</b>	<b>2,955</b>
<b><u>Capital</u></b>					
5,078	Education				5,078
20	Highways				20
2,452	Housing				2,452
686	Local Economy & Town Centres				686
0	Other				-
<b>8,236</b>		<b>0</b>	<b>0</b>	<b>-</b>	<b>8,236</b>
<b>10,475</b>		<b>716</b>	<b>0</b>	<b>0</b>	<b>11,191</b>