

GENERAL FUND - PROVISIONAL OUTTURN FOR 2023/24

| Portfolio | 2023/24 | Budget | 2023/24 | | 2023/24 | Variation | Variation previously reported |
|--|------------------|--------------------------------|------------------|------------------|-------------------|------------------|-------------------------------|
| | Original Budget | Variations allocated in year # | Approved Budget | Latest Budget | Projected Outturn | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Adult Care & Health | 84,178 | 1,920 | | 86,098 | 87,599 | 1,501 | 450 |
| Children, Education & Families (incl. Schools' Budget) | 55,253 | 2,834 | | 58,087 | 64,699 | 6,612 | 2,142 |
| Environment & Community | 38,033 | 464 | | 38,497 | 39,862 | 1,365 | 623 |
| Public Protection & Enforcement | 3,228 | 189 | | 3,417 | 3,417 | 0 | 0 |
| Renewal, Recreation & Housing | 15,611 | 311 | | 15,922 | 18,803 | 2,881 | 2,479 |
| Resources, Commissioning & Contracts Management | 48,840 | 285 | | 49,125 | 49,351 | 226 | 443 |
| Total Controllable Budgets | 245,143 | 6,003 | | 251,146 | 263,731 | 12,585 | 6,137 |
| Capital, Insurance & Pensions Costs (see note 2) | 16,604 | 0 | | 16,604 | 16,604 | 0 | 0 |
| Non General Fund Recharges | Cr 938 | 0 | Cr 938 | Cr 938 | Cr 938 | 0 | 0 |
| Total Portfolios (see note 1) | 260,809 | 6,003 | | 266,812 | 279,397 | 12,585 | 6,137 |
| Central Items: | | | | | | | |
| Income from Investment Properties | Cr 8,777 | 2,500 | Cr 6,277 | Cr 6,277 | Cr 6,277 | 0 | 0 |
| Interest on General Fund Balances | Cr 9,841 | 0 | Cr 9,841 | Cr 12,841 | Cr 12,841 | Cr 3,000 | Cr 1,000 |
| Total Investment Income | Cr 18,618 | 2,500 | Cr 16,118 | Cr 19,118 | Cr 19,118 | Cr 3,000 | Cr 1,000 |
| Contingency Provision (see Appendix 4) | 26,631 | Cr 11,659 | | 14,972 | 8,309 | Cr 6,663 | Cr 3,163 |
| Other central items | | | | | | | |
| Reversal of net Capital Charges (see note 2) | Cr 9,878 | 0 | Cr 9,878 | Cr 9,878 | Cr 9,878 | 0 | 0 |
| Additional Capital Grants Funding Rev Exp under statute | Cr 4,832 | 0 | Cr 4,832 | Cr 4,832 | Cr 4,832 | 0 | 0 |
| New Homes Bonus Support for Revenue | 9 | 0 | 9 | 9 | 9 | 0 | 0 |
| Homes for Ukraine allocation to be determined | 0 | 0 | 0 | Cr 2,000 | Cr 2,000 | Cr 2,000 | Cr 2,000 |
| Dual running of Civic Centres | 0 | 1,800 | 1,800 | 1,800 | 1,800 | 0 | 0 |
| Transfer of funding to capital programme | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 0 |
| Levies | 1,301 | 0 | 1,301 | 1,301 | 1,301 | 0 | 0 |
| Total other central items | Cr 13,400 | 3,800 | Cr 9,600 | Cr 11,600 | Cr 11,600 | Cr 2,000 | Cr 2,000 |
| Prior Year Adjustments | | | | | | | |
| 2022-23 Energy cost pressure in Housing | 0 | 0 | 0 | Cr 173 | Cr 173 | Cr 173 | Cr 173 |
| Total Prior Year Adjustments | 0 | 0 | 0 | Cr 173 | Cr 173 | Cr 173 | Cr 173 |
| Total all central items | Cr 5,387 | Cr 5,359 | Cr 10,746 | Cr 22,582 | Cr 22,582 | Cr 11,836 | Cr 6,336 |
| Bromley's Requirement before balances | 255,422 | 644 | 256,066 | 256,815 | 256,815 | 749 | Cr 199 |
| Carry Forwards from 2022/23 (see note 3) | 0 | Cr 644 | Cr 644 | 0 | 0 | 644 | 644 |
| Adjustment to Balances | 0 | 0 | 0 | Cr 1,393 | Cr 1,393 | Cr 1,393 | Cr 445 |
| Total all central items | 255,422 | Cr 0 | 255,422 | 255,422 | 255,422 | 0 | 0 |
| Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants) | Cr 47,000 | 0 | Cr 47,000 | Cr 47,000 | Cr 47,000 | 0 | 0 |
| Collection Fund losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Homes Bonus | Cr 9 | 0 | Cr 9 | Cr 9 | Cr 9 | 0 | 0 |
| New Homes Bonus Topslice | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| One off 2023/24 Services Grant | Cr 1,556 | 0 | Cr 1,556 | Cr 1,556 | Cr 1,556 | 0 | 0 |
| Council Tax Support - Collection Fund surplus | Cr 2,300 | 0 | Cr 2,300 | Cr 2,300 | Cr 2,300 | 0 | 0 |
| Funding COVID cost pressures from Earmarked Reserve | Cr 870 | 0 | Cr 870 | Cr 870 | Cr 870 | 0 | 0 |
| Collection Fund Surplus | Cr 14,511 | 0 | Cr 14,511 | Cr 14,511 | Cr 14,511 | 0 | 0 |
| Bromley's Requirement | 189,176 | Cr 0 | 189,176 | 189,176 | 189,176 | 0 | 0 |
| GLA Precept | 58,215 | 0 | 58,215 | 58,215 | 58,215 | 0 | 0 |
| Council Tax Requirement | 247,391 | Cr 0 | 247,391 | 247,391 | 247,391 | 0 | 0 |

| | | |
|--|--------------|------------------|
| # Budget Variations allocated to portfolios in year consists of: | £'000 | |
| 1) Carry forwards from 2022/23 | 644 | (see note 3) |
| 2) Allocations from the central contingency provision | 5,359 | (see Appendix 4) |
| | <u>6,003</u> | |

1) **NOTES**

Portfolio Final Approved Budgets analysed over Departments as follows:

| | 2023/24 | Budget | 2023/24 | 2023/24 | Variation | Variation |
|------------------------------|-----------------|--------------------------------|-----------------|----------------|-------------------|---------------------|
| | Original Budget | Variations allocated in year # | Approved Budget | Latest Budget | Projected Outturn | previously reported |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| People Department | 155,814 | 4,754 | 160,568 | 168,528 | 7,960 | 2,488 |
| Place Department | 81,753 | 1,114 | 82,867 | 87,113 | 4,246 | 3,102 |
| Chief Executive's Department | 23,242 | 135 | 23,377 | 23,756 | 379 | 547 |
| | <u>260,809</u> | <u>6,003</u> | <u>266,812</u> | <u>279,397</u> | <u>12,585</u> | <u>6,137</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 2022/23**

Carry forwards from 2022/23 into 2023/24 totalling £644k were approved by Council and the Executive. Full details were reported to the July meeting of the Executive in the "Provisional Final Accounts 2022/23" report.

Comments from the Director of Environmental Services

The key departmental budgetary pressure is sitting within the Parking Services.

Over the past year we have seen the vast majority of services return to what we would describe as pre Covid levels with the key area being Parking, where the volume of parking in quarter 1 continues to be a challenge. It may well be the case that these service areas off the back of Covid are now affected by the wider economic challenges affecting the UK and therefore recovery in these areas will be slower than originally anticipated.

Officers will be conducting a six month review of Parking Income in October once the data for April to September 2023 has been fully validated, this will hopefully allow us to understand where the issues lie and shore up our financial forecasts for the remainder of the year.

Comments from the Director of Adult Social Care

The second quarter of the financial year has seen a continuation of the pressures experienced during the first quarter, with continuing demand from the hospitals to discharge patients as soon as possible. The integrated system is working hard to avoid people being admitted directly from hospital to a care facility, helping them to continue their recovery at home. Whilst this is a better outcome for individuals, this is building an additional pressure into the social care budget and continued discussions are taking place with health partners to address this.

The teams continue to experience pressure in relation to those moving into adulthood from children's services and this is being given due attention at a senior level within the Council. There is also significant growth in demand from those experiencing mental health issues, part of the pressure relating to the current under delivery of efficiencies.

The upturn in the cost of care has continued, partly due to the increase in the cost of living, but also with the expectation from providers that the Council moves closer to the Fair Cost of Care, with prices increasing significantly.

Officers are seeking to draw down the ongoing underspend in the Better Care Fund to quite legitimately offset the current pressures in the budget.

Comments from the Director of Housing, Planning and Regeneration

£1,589k of growth was included in the housing budget for 2023/24 to reflect the continuing pressures in relation to homelessness and the provision of temporary accommodation. A total of £1,745k 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 temporary accommodation. However, the number of approaches is starting to rise with an increase of 210 new approaches during the first half of 2023/24 compared to the same period in the preceding year. The supply of temporary accommodation is under increased pressure meaning that the majority of new placements can only be secured through the nightly paid market. There is increased pressure on nightly paid accommodation rates across London and the South East which have risen steeply during the past 12 months. This results in a £2,557k overspend on temporary accommodation, with a £2,359k 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.

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) Increases being seen in construction and maintenance costs

Comments from the Director of Childrens Services

The Children, Education and Families Portfolio has a projected overspend of £6,612k for the year.

The Education Division (core funding) has a projected underspend of £1,257k.

SEN Transport continues to be a risk area. There are a number of causal factors affecting the position on transport:

An increase in number and complexity of Special Educational Needs and Disabilities over the past five years. 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). However, this rate of increase is lower than the national rate of 21% (DfE 2023) due to the measures that we have put in place over the past 12 months to support families and provide alternative services at an earlier stage.

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 3 years. A number of these 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. In recent months we have begun to see a slight easing in the numbers of SEN referrals, which is positive, although it may be too early to be certain that this is a longer-term trend.

There is continued Transport provider pressures linked to the cost fuel and wages. 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 in year overspend in Education (DSG funding) of £4,043k in year. This will be added to the £12,706k carried forward in the reserves from 2022/23. There has been a prior year Early Year adjustment which has increased the 2022/23 DSG allocation by £600k, and this is off set against the DSG reserve that effectively reduces the reserve. This gives us an estimated DSG reserve of £16,149k at the end of the financial year.

We have recently met with representatives from the DfE to review our management of the DSG over-spend. They were able to confirm that they were satisfied with the steps that we continue to take and confirmed that they did not wish to meet with us again until next year.

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.

Nationally, the number of SEND tribunal appeals has increased by 29% from 2021/22 and has tripled since 2014 (DfE, 2023). Out of 5,600 Tribunal hearings last year, only 3.7% of decisions made by local authorities were upheld. The Local Government Ombudsman received 15% more complaints about education and children's services in 2022-23 than in 2021-2022, 84% of which were upheld, higher than any other areas within the LGO's remit.

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 2024, 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 projected overspend is £5,355k.

The ongoing pressures that relate to emotional and mental health concerns for young people, combined with the impact of inflation and cost of living pressures 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.

Although much reduced from the previous year, the financial pressures across CSC continue to be primarily driven by placement costs for young people and also by the cost of agency staff.

Nationally, the cost of residential placements increased by 18.78% in 2022/23 (ADCS 2023) as demand continues to be greater than the number of placements available, particularly for children with complex or specialist requirements. Although our recruitment of permanent staff has increased and we now have fewer agency staff than in the past two years, our spend on agency staff still contributes to the pressures on the CSC staffing budget.

There also 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.

Continued 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

| 2022/23 Actuals £'000 | Division Service Areas | 2023/24 Original Budget £'000 | 2023/24 Latest Approved £'000 | 2023/24 Projected Outturn £'000 | Variation £'000 | Notes | Variation Last Reported £'000 | Full Year Effect £'000 |
|---|---|--|--|--|--------------------|-------|--|------------------------------|
| PEOPLE DEPARTMENT | | | | | | | | |
| Adult Social Care | | | | | | | | |
| 23,554 | Assessment and Care Management | 22,816 | 25,188 | 25,738 | 550 | 1 | 450 | 4,637 |
| 118 | Direct Services | 117 | 117 | 117 | 0 | | 0 | 0 |
| 2,334 | Quality Assurance & Safeguarding | 2,075 | 2,075 | 2,075 | 0 | | 0 | 0 |
| 43,807 | Learning Disabilities | 48,075 | 47,943 | 47,943 | 0 | 2 | Cr 758 | 833 |
| 8,650 | Mental Health | 8,415 | 8,415 | 9,366 | 951 | 3 | 758 | 529 |
| 907 | Placement and Brokerage | 979 | 659 | 659 | 0 | | 0 | 0 |
| Cr 255 | Better Care Fund - Protection of Social Care | 0 | 0 | 0 | 0 | | 0 | 0 |
| 79,115 | | 82,477 | 84,397 | 85,898 | 1,501 | | 450 | 5,999 |
| Integrated Commissioning Service | | | | | | | | |
| 1,299 | Integrated Commissioning Service | 1,400 | 1,400 | 1,400 | 0 | | 0 | 0 |
| 1,205 | - Net Expenditure | 3,761 | 3,761 | 3,761 | 0 | | 0 | 0 |
| Cr 1,205 | - Recharge to Better Care Fund | Cr 3,756 | Cr 3,756 | Cr 3,756 | 0 | | 0 | 0 |
| Better Care Fund | | | | | | | | |
| 25,602 | - Expenditure | 28,226 | 28,226 | 28,226 | 0 | 4 | 0 | 0 |
| Cr 25,622 | - Income | Cr 28,246 | Cr 28,246 | Cr 28,246 | 0 | | 0 | 0 |
| Improved Better Care Fund | | | | | | | | |
| 10,327 | - Expenditure | 8,130 | 8,130 | 8,130 | 0 | 5 | 0 | 0 |
| Cr 10,327 | - Income | Cr 8,130 | Cr 8,130 | Cr 8,130 | 0 | | 0 | 0 |
| 1,279 | | 1,385 | 1,385 | 1,385 | 0 | | 0 | 0 |
| Public Health | | | | | | | | |
| 16,166 | Public Health | 15,927 | 16,436 | 16,436 | 0 | | 0 | 0 |
| Cr 15,876 | Public Health - Grant Income | Cr 15,611 | Cr 16,120 | Cr 16,120 | 0 | | 0 | 0 |
| 290 | | 316 | 316 | 316 | 0 | | 0 | 0 |
| 80,684 | TOTAL CONTROLLABLE ADULT CARE & HEALTH | 84,178 | 86,098 | 87,599 | 1,501 | | 450 | 5,999 |
| 421 | TOTAL NON CONTROLLABLE | 559 | 559 | 559 | 0 | | 0 | 0 |
| 4,092 | TOTAL EXCLUDED RECHARGES | 3,494 | 3,494 | 3,494 | 0 | | 0 | 0 |
| 85,197 | TOTAL ADULT CARE & HEALTH PORTFOLIO | 88,231 | 90,151 | 91,652 | 1,501 | | 450 | 5,999 |

Reconciliation of Latest Approved Budget

£'000

2023/24 Original Budget

88,231

Carry forwards:

Supplementary Substance Misuse Treatment & Recovery Funding

| | |
|---------------|-----|
| - expenditure | 57 |
| - income | -57 |

Improved Better Care Fund (IBCF)

| | |
|---------------|--------|
| - expenditure | 1,911 |
| - income | -1,911 |

Public Health Grant

| | |
|---------------|--------|
| - expenditure | 2,874 |
| - income | -2,874 |

LD/Autism Funding from South East London ICB

| | |
|---------------|------|
| - expenditure | 208 |
| - income | -208 |

Discharge Transformation Funding from South East London ICB

| | |
|---------------|------|
| - expenditure | 256 |
| - income | -256 |

Shared Lives Transformation Posts

| | |
|---------------|------|
| - expenditure | 400 |
| - income | -400 |

Charging Reform Implementation Support Grant

| | |
|---------------|------|
| - expenditure | 104 |
| - income | -104 |

Omicron Support Fund

| | |
|---------------|------|
| - expenditure | 136 |
| - income | -136 |

Test and Trace service support grant

| | |
|---------------|------|
| - expenditure | 368 |
| - income | -368 |

| | | |
|---|----|----------------------|
| Contain Outbreak Management Fund grant | | |
| - expenditure | | 54 |
| - income | | -54 |
| Contingency: | | |
| Market Sustainability and Improvement Fund | | 2,788 |
| Adult Social Care Discharge Fund | Cr | 1,084 |
| Market Sustainability and Improvement Fund - Workforce Fund | | |
| - expenditure | | 1,810 |
| - income | Cr | 1,810 |
| ICB Funding for Hospital Discharges | | |
| - expenditure | | 1,511 |
| - income | Cr | 1,511 |
| Work Safe Project | | |
| - expenditure | | 65 |
| - income | Cr | 65 |
| Social Care grant re ASC reforms | Cr | 720 |
| Adult Social Care grant | | 1,400 |
| Other: | | |
| Transfer of Staff from LD Care Management to Children's 0-25 years' service | Cr | 144 |
| Transfer of Care Placements Team Staff to Children's Services | Cr | 320 |
| Latest Approved Budget for 2023/24 | | |
| | | <u><u>90,151</u></u> |

1. Assessment and Care Management - Dr £550k

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

| | | <u>Current</u> <u>Variation</u> £'000 |
|--|----|---|
| Physical Support / Sensory Support / Memory & Cognition | | |
| Services for 65 + | | |
| - Placements | Cr | 140 |
| - Domiciliary Care / Direct Payments | | 2,431 |
| | | <u>2,291</u> |
| Services for 18-64 | | |
| - Placements | | 180 |
| - Domiciliary Care / Direct Payments | | 845 |
| | | <u>1,025</u> |
| Market Sustainability and Improvement Fund (MSIF) | | |
| - 23/24 MSIF allocation | Cr | 1,227 |
| - 23/24 MSIF Workforce Fund allocation | Cr | 1,810 |
| | Cr | <u>3,037</u> |
| Hospital Discharge Packages | | |
| - Placements | | 2,444 |
| - Domiciliary Care | | 1,646 |
| - Enhanced Care | | 1,464 |
| - LBB Discharge Funding | Cr | 324 |
| - ICB Discharge Funding | Cr | 1,133 |
| - Adult Social Care Reform growth | Cr | 817 |
| - BCF use of underspend | Cr | 1,300 |
| - Management action | Cr | 1,306 |
| | | <u>674</u> |
| Other | | |
| Extra Care Housing | Cr | 70 |
| Day Care | Cr | 333 |
| | | <u>550</u> |

The 2023/24 budget includes funding for the full year effect of the September 2022 overspend as reported to Members in the September Budget Monitoring report.

Services for 65+ - Dr £2,291k

Numbers in residential and nursing care to date are 15 below the budget provision of 489 (was 31 below in Q1), however an overspend of £241k is currently projected. This is due to placements having to be made above the guide rates, as well as additional 1:1 support packages required for some service users in their placements. Offsetting this is a projected underspend in emergency and temporary placements of £336k and respite care of £45k.

The overall position on the domiciliary care and direct payments budgets (65+) is a projected overspend of £2,431k, which is a reduction of £39k from last time. Domiciliary care is projected to overspend by £2,094k and direct payments to overspend by £337k.

Services for 18-64 - Dr £1,025k

Placements for 18-64 age group are projected to overspend by £387k this year based on current service user numbers which are currently 5 above budgeted levels (also 5 above in Q1). Offsetting this is a projected underspend on emergency and temporary placements of £199k and respite of £8k.

The overall position on the domiciliary care and direct payments budgets (18-64) is a projected overspend of £845k. Domiciliary care is currently projected to overspend by £467k and direct payments to overspend by £378k.

Hospital Discharge - Dr £674k

Discharges from hospital continue to follow the new pathway set up with Health. Currently a full year overspend of £5,554k is projected, split between placements of £2,444k, domiciliary care of £1,646k and enhanced care of £1,464k. This is however offset by management action of £1,036k, aiming to reduce the length of time a service user spends in a D2a setting, as well as the application of discharge funding (£324k LBB and £1,133 ICB) and use of BCF reserve (£1,300k). Officers also continue to ensure that service users are moved on from these packages to normal packages of care as soon as possible, ensuring that client contributions are being maximised. The numbers of residents being discharged are broadly within trend for Bromley, however, the packages of care are more expensive and for longer duration.

Other - Cr £403k

Extra Care Housing is currently projected to underspend by £70k and Day Care services by £333k, the latter still being down on pre-covid numbers as service users switched to other services when the centres were closed during covid.

2. Learning Disabilities - £0k

The 2023/24 Learning Disabilities (LD) budget includes funding for anticipated 2023/24 demand-related pressures and the full year effect (FYE) of the 2022/23 overspend but also reductions relating to planned savings.

A breakeven position is now presented for this budget (Q1 projected underspend £758k) which is based upon the current level of costs and client numbers. The change in the projection from Q1 mainly relates to uplifts in weekly placement costs now applied and the additional support required by high-needs clients and those clients transitioning from Children's Services. Work is still on-going around transitions in order to scrutinise any future impact on costs.

3. Mental Health - Dr £951k

The 2023/24 budget includes an adjustment for the full year effect of the September 2022 underspend reported to Members as part of the September Budget Monitoring report.

Placements for 65+ age group are projected to overspend by £278k this year based on current service user numbers of 50 (also 50 in Q1).

The overall position on the domiciliary care and direct payments budgets (65+) is a projected overspend of £9k. Domiciliary care is currently projected to overspend by £109k and direct payments to underspend by £100k.

Placements for the 18-64 age group are projected to overspend by £337k this year based on current service user numbers of 107 (also 107 in Q1), and mainly relates to placements in Nursing homes.

The overall position on the domiciliary care and direct payments budgets (18-64) is a projected overspend of £115k, with Domiciliary care currently projected to underspend by £7k and direct payments to overspend by £122k.

In addition to the above, savings of £212k in the budget to date have not been achieved therefore this is being reported as an overspend. A further £212k is still to be achieved for the remainder of the year.

4. 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 2023/24 allocation is a 5.66% increase above 2022/23 levels. It is likely that this allocation will be needed to offset the cost of hospital discharge care packages.

5. Improved Better Care Fund (IBCF) - Nil Variation

The total amount of funding available in 2023/24 is:

| | £'000 |
|-----------------------------------|--------------|
| 2023/24 IBCF allocation | 7,731 |
| Carry forward from previous years | <u>1,911</u> |
| | 9,642 |

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, 20 waivers for Adult placements have been agreed for between £50k and £100k and 6 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

| 2022/23 Actuals | Service Areas | 2023/24 Original Budget | 2023/24 Latest Approved | 2023/24 Projected Outturn | Variation | Notes | Variation Last Reported | Full Year Effect |
|-----------------|---|-------------------------|-------------------------|---------------------------|--------------|-------|-------------------------|------------------|
| £'000 | | £'000 | £'000 | £'000 | £'000 | | £'000 | £'000 |
| | CHILDREN, EDUCATION AND FAMILIES PORTFOLIO | | | | | | | |
| | Education Division - Core funding | | | | | | | |
| Cr 347 | Adult Education Centres | Cr 430 | Cr 430 | Cr 316 | 114 | 1 | 0 | 0 |
| 576 | Schools and Early Years Commissioning & QA | 739 | 736 | 674 | Cr 62 | 2 | Cr 119 | 0 |
| 2,771 | SEN and Inclusion | 2,525 | 2,615 | 2,358 | Cr 257 | 3 | Cr 160 | 0 |
| 100 | Strategic Place Planning | 56 | 56 | 56 | 0 | | 0 | 0 |
| 17 | Workforce Development & Governor Services | Cr 22 | Cr 22 | Cr 22 | 0 | | 0 | 0 |
| 7,516 | Access & Inclusion | 8,134 | 9,134 | 10,566 | 1,432 | 4 | 43 | 1,700 |
| 196 | Other Strategic Functions | 459 | 357 | 387 | 30 | 5 | 0 | 0 |
| Cr 40 | Central School Costs | Cr 60 | Cr 60 | Cr 60 | 0 | | 0 | 0 |
| 10,789 | | 11,401 | 12,386 | 13,643 | 1,257 | | Cr 236 | 1,700 |
| | Children's Social Care | | | | | | | |
| 1,911 | Bromley Youth Support Programme | 1,798 | 1,798 | 1,938 | 140 | 6 | 125 | 0 |
| 1,260 | Early Intervention and Family Support | 1,545 | 1,444 | 1,324 | Cr 120 | 7 | Cr 45 | 0 |
| 10,034 | CLA and Care Leavers | 11,485 | 12,352 | 13,296 | 944 | 8 | 328 | 590 |
| 22,122 | Fostering, Adoption and Resources | 23,880 | 24,380 | 25,703 | 1,323 | 9 | Cr 32 | 4,420 |
| 5,184 | 0-25 Children Service (Disability Services) | 3,714 | 4,313 | 5,671 | 1,358 | 10 | 1,068 | 969 |
| 5,073 | Referral and Assessment Service | 4,765 | 4,896 | 5,411 | 515 | 11 | 464 | Cr 88 |
| 4,582 | Safeguarding and Care Planning East | 4,181 | 4,181 | 4,715 | 534 | 12 | 179 | 0 |
| 2,998 | Safeguarding and Care Planning West | 2,493 | 2,499 | 3,192 | 693 | 13 | 216 | 0 |
| Cr 2,489 | Safeguarding and Quality Improvement | Cr 6,255 | Cr 6,408 | Cr 6,440 | Cr 32 | 14 | 75 | 0 |
| 50,675 | | 47,606 | 49,455 | 54,810 | 5,355 | | 2,378 | 5,891 |
| 61,464 | TOTAL CONTROLLABLE FOR CEF CORE FUNDING | 59,007 | 61,841 | 68,453 | 6,612 | | 2,142 | 7,591 |
| 129 | Total Non-Controllable | 1,424 | 1,424 | 1,424 | 0 | | 0 | 0 |
| 11,182 | Total Excluded Recharges | 7,208 | 7,208 | 7,208 | 0 | | 0 | 0 |
| 72,775 | TOTAL CEF PORTFOLIO CORE FUNDING | 67,639 | 70,473 | 77,085 | 6,612 | | 2,142 | 7,591 |
| | Education Division - DSG Funding | | | | | | | |
| 21,691 | Schools and Early Years Commissioning & QA | 21,512 | 22,589 | 22,054 | Cr 535 | 15 | Cr 102 | 0 |
| 39,401 | SEN and Inclusion | 40,787 | 40,787 | 45,189 | 4,402 | 16 | 4,310 | 0 |
| 3,272 | Access & Inclusion | 3,635 | 3,635 | 3,812 | 177 | 17 | 0 | 0 |
| 22 | Strategic Place Planning | 94 | 94 | 94 | 0 | | 0 | 0 |
| 6 | Workforce Development & Governor Services | 20 | 20 | 20 | 0 | | 0 | 0 |
| 130 | Other Strategic Functions | 481 | 739 | 738 | Cr 1 | | 0 | 0 |
| Cr 97,312 | Schools Budgets | Cr 103,139 | Cr 104,474 | Cr 104,474 | 0 | | 0 | 0 |
| 17,840 | Special Schools and Alternative Provision | 18,983 | 18,983 | 18,983 | 0 | | 0 | 0 |
| 7,847 | Primary Schools | 10,075 | 10,075 | 10,075 | 0 | | 0 | 0 |
| 4,005 | Secondary Schools | 3,798 | 3,798 | 3,798 | 0 | | 0 | 0 |
| 0 | Charge to Reserves | 0 | 0 | Cr 4,043 | Cr 4,043 | 18 | Cr 4,208 | 0 |
| Cr 3,098 | | Cr 3,754 | Cr 3,754 | Cr 3,754 | 0 | | 0 | 0 |
| Cr 3,098 | TOTAL CONTROLLABLE FOR CEF - DSG FUNDING | Cr 3,754 | Cr 3,754 | Cr 3,754 | 0 | | 0 | 0 |
| 11 | Total Non-Controllable | 81 | 81 | 81 | 0 | | 0 | 0 |
| 3,087 | Total Excluded Recharges | 3,673 | 3,673 | 3,673 | 0 | | 0 | 0 |
| 0 | TOTAL CEF PORTFOLIO - DSG FUNDING | 0 | 0 | 0 | 0 | | 0 | 0 |
| | TOTAL CEF PORTFOLIO | 67,639 | 70,473 | 77,085 | 6,612 | | 2,142 | 7,591 |

Reconciliation of Latest Approved Budget

£'000

Original Budget 2023/24

67,639

Contingency:

Carry forwards:

| | | |
|---|----|-------|
| Deed Settlement for Hawes Down Site | | |
| expenditure | | 5 |
| income | Cr | 5 |
| Virtual School - CIN Grant Carry Forward | | |
| expenditure | | 82 |
| income | Cr | 82 |
| Homes for Ukraine DfE Grant | | |
| expenditure | | 1,187 |
| income | Cr | 1,187 |
| BAEC upgrading hardware and supporting software - GLA Grant | | |
| expenditure | | 26 |
| income | Cr | 26 |
| YOT NHS Money | | |
| expenditure | | 29 |
| income | Cr | 29 |
| COVID Recovery Grant | | |
| expenditure | | 130 |
| income | Cr | 130 |
| National Tutoring Programme | | |
| expenditure | | 22 |
| income | Cr | 22 |

| | | |
|---|----|---------------|
| GLA Adult Ed Grant Repayment | | |
| expenditure | | 16 |
| income | Cr | 16 |
| Supporting Families; Investing in Practice Grant | | |
| expenditure | | 475 |
| income | Cr | 475 |
| Homes for Ukraine Main Grant | | |
| expenditure | | 300 |
| income | Cr | 300 |
| Other: | | |
| Transfer of Staff from LD Care Management to Children's 0-25 years' service | | 144 |
| Transfer of Care Placements Team Staff to Children's Services | | 320 |
| S31 Leaving Care Uplift Grant | | |
| expenditure | | 68 |
| income | Cr | 68 |
| GLA free school meal payment | | |
| expenditure | | 6,036 |
| income | Cr | 6,036 |
| UKSPF funding | | |
| expenditure | | 275 |
| income | Cr | 275 |
| Above Inflation Pressures on Children Placements | | 1,370 |
| Drawdown of SEN Transport | | 1,000 |
| Early Years Supplementary Grant | | |
| expenditure | | 1,669 |
| income | Cr | 1,669 |
| Extended Personal Advisor Grant | | |
| expenditure | | 11 |
| income | Cr | 11 |
| Homes for Ukraine Main Grant - Adult Education | | |
| expenditure | | 80 |
| income | Cr | 80 |
| Reducing Parental Conflict Grant | | |
| expenditure | | 30 |
| income | Cr | 30 |
| Adult Education GLA Grant Funding | | |
| expenditure | | 82 |
| income | Cr | 82 |
| Uplift to Youth Justice Board Grant | | |
| expenditure | | 12 |
| income | Cr | 12 |
| Change in DSG Early Years and High Needs Block | | |
| expenditure - Early Years | | 1,077 |
| expenditure - High Needs | | 258 |
| income | Cr | 1,335 |
| Draw Down from Reserve to meet demand in EHCP's / High Needs | | |
| Expenditure | | 525 |
| Income | | -525 |
| Latest Approved Budget for 2023/24 | | 70,473 |

REASONS FOR VARIATIONS

1. Adult Education Centres - Dr £114k

This area is currently expected to overspend by £114k and this is due to an under budget of fee income of £184k and an overspend on staffing of £57k. This is then being partially offset by an underspend of £127k in running costs.

2. Schools and Early Years Commissioning & QA - Cr £62k

The in-house nursery is currently expected to overspend by £19k, and this is down to an under budget of fee income (£100k) being offset by an underspend on staffing (£81k).

Across the rest of the service there is a £81k underspend relating to staffing.

3. SEN and Inclusion - Cr £257k

The staffing in this area is currently forecasting an underspend by £319k. This is due to a number of posts that are currently vacant. The difference £62k relates to an overspend in running costs.

4. Access & Inclusions - Dr £1,432k

The overspend in this area is due to the costs around SEN Transport that is currently forecast to overspend by £1,422k. The remaining £10k is due to various running costs.

5. Other Strategic Functions - Dr £30k

There is current an overspend of £30k in this area, and this is being caused by costs related to the restructure that has just been finalised.

Children's Social Care - Dr £5,355k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £5,355k, this is an increase from £2,378k at the time of the last report. Additional funding has been identified of £1,370k due to above inflationary increases in prices across the board in CSC. this has been applied but some pressures/demands still remain.

6. Bromley Youth Support Programme - Dr £140k

The BYSP budget is projected to overspend by £140k this year. The service is currently looking at transformational savings that have not yet been realised and this is the main cause behind the overspend on running costs of £205k. This is being offset by an underspend on staffing of £12k and over collection on income of £53k.

7. Early Intervention and Family Support - Cr £120k

The main projected variance relates to services is a projected underspend on staffing of £133k and running costs of £17k. These are then offset by a £30k under collection of income.

8. CLA and Care Leavers - Dr £944k

The budget for placements in this area is currently projected to overspend by £667k this year. This amount is analysed by placement type below.

- Staying Put - Dr £437k
- Direct Accommodation - Dr £740k
- Placement Support Leaving Care - Cr £510k

The remain overspend is due to an under collection of income of £210k and a £156k overspend on staffing. This is then offset by an underspend on running costs of £89k.

9. Fostering, Adoption and Resources - Dr £1,323k

The budget for children's placements is currently projected to overspend by £1,360k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £2,811k (Dr £804k)
- Boarding Schools - Cr £149k (Cr £121k)
- Secure Placement - Cr £230k (Cr £201k)
- Fostering services (IFA's) - Dr £31k (Dr £309k)
- Fostering services (In-house, including SGO's and Kinship) - Cr £792k (Cr £568k)
- Adoption placements - Cr £200k (Cr £199k)
- Outreach Services - Dr £109k (Dr £143k)
- Transport Costs - Cr £157k (Cr £79k)
- Dom Care - Cr £63k

Additionally there is an extra £304k worth of income - most of which relates to the cost of the placements. This is then being offset by overspends in staffing of £232k and running cost of £35k.

10. 0-25 Children Service - Dr £1,358k

The main area of overspend is the use of Direct Payments (£40k) and Dom Care (£1,093k) to support the client. There is also a overspend in running costs of £226k. These overspends are then being offset by an underspend in staffing of £1k.

11. Referral and Assessment Service Dr £515k

The main projected variance relates to a projected overspend on staffing of £577k, with additional pressure on running costs of £26k. This is then offset by a £88k underspend related to No Recourse to Public Funds (NRPF) clients.

12. Safeguarding and Care Planning East Dr £534k

The budget in this area is currently projected to overspend by £534k, and is due to staffing overspends of £372k and £162k on running costs.

13. Safeguarding and Care Planning West Dr £693k

The projected variance relates to a projected overspends on staffing of £497k and £196k on running costs that mostly relates to looked after clients.

14. Safeguarding and Quality Improvement Cr £32k

The projected underspend of £32k in this area mainly relates to staffing (£72k), and this includes the costs of recruiting and retaining social workers across the whole of Children's Social Care. This is then offset by a £40k overspend in running costs.

Schools Budgets (no impact on General Fund)

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

There is a current projected overspend in DSG of £4,043k. This will be added to the £12,706k carried forward in the reserves from 2022/23. There has been a prior year Early Year adjustment which has increased the 2022/23 DSG allocation by £600k, and this is off set against the DSG reserve that effectively reduces the reserve. This gives us an estimated DSG reserve of £16,149k at the end of the financial year.

15. Schools and Early Years Commissioning & QA Cr £535k

There is a projected underspend on the costs of child care payments for 2, 3 and 4 year olds of £454k. This includes the costs related to the Early Years Supplementary Grant. Additionally there are underspends of £81k due to staffing underspends over a range of cost centres.

16. SEN and Inclusion Dr £4,402k

SEN placements are projected to overspend by a total of £4,800k. The overspend is being caused by the Maintained Day (£1,633k), Independent Day (£943k), Alternative Programmes (£1,231k), Maintained Boarding Schools (£249k), Direct Payment (£228k) and Matrix funding (£703k). This is then slightly offset by an underspend on Independent Boarding Schools (£187k). Additionally to the placement costs, there are underspends on staffing across a number of units of £377k and on running costs of £21k.

17. Access & Inclusion Dr £177k

The £177k overspend in this area is due to an overspend of £644k on running costs and an under collection of income of £47k. These are being offset by staffing underspends of £514k.

18. Charge to Reserves Cr £4,043k

Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report on the robustness of the budget calculations and adequacy of reserves. The 151 Officer within that commentary is now required to consider the Councils DSG deficit position, despite the statutory override being in place.

The statutory override effectively means that any DSG deficits are not included in the Councils main revenue budgets. However funding will ultimately need to be identified

In effect the Council has to still set aside resources to meet the DSG deficit and where no ongoing funding is identified such funding will need to come from the Councils reserves. On that basis the budget monitoring report identifies a deficit of £4,043k which has to ultimately be funded from the Councils reserve.

Although DSG is effectively ring fenced the ongoing increase through funding by reserves (general and earmarked) creates a financially unsustainable position in the medium to longer term

The External Auditor as part of the annual accounts, are required to comment on the Councils Value for money arrangements and will be required to consider any DSG deficit and the impact on the Councils finances

In terms of presentation of the DSG deficit of £12,706k up to 31/3/2023 and the estimated in year sum of £4,043k in 2023/24, there will need to be adequate funding from the Councils reserves unless alternative savings can be found. The use of reserves have been assumed in this report, although the specific reserves to use have not been identified at this stage.

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 9 waivers agreed for placements of between £50 and £100k, 2 between £100k and £150k, and 6 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 & Community Portfolio Budget Monitoring Summary

| 2022/23 Actuals £'000 | Service Areas | 2023/24 Original Budget £'000 | 2023/24 Latest Approved £'000 | 2023/24 Projected Outturn £'000 | Variation £'000 | Notes | Variation Last Reported £'000 | Full Year Effect £'000 |
|-----------------------------|--|--|--|--|--------------------|-------|--|------------------------------|
| | ENVIRONMENT & COMMUNITY PORTFOLIO | | | | | | | |
| | Street Scene & Green Spaces | | | | | | | |
| 1,151 | Arboriculture Management | 814 | 822 | 922 | 100 | 1 | 50 | 0 |
| 92 | Business Support and Markets | 26 | 26 | 149 | 123 | 2 | 87 | 0 |
| 1,189 | Senior Management | 1,331 | 1,331 | 1,331 | 0 | | 0 | 0 |
| 211 | Performance Management and Business Support | 224 | 224 | 224 | 0 | | | 0 |
| 6,439 | Parks and Green Spaces | 6,854 | 6,940 | 6,940 | 0 | | 6 | 0 |
| 79 | Carbon Management | 155 | 155 | 155 | 0 | | 0 | 0 |
| 18,503 | Waste Services | 20,722 | 20,722 | 20,722 | 0 | | 18 | 0 |
| 6,491 | Neighbourhood | 6,961 | 7,087 | 7,087 | 0 | | 0 | 0 |
| 34,155 | | 37,087 | 37,306 | 37,529 | 223 | | 160 | 0 |
| | Transport Operations and Depot | | | | | | | |
| 552 | Transport Operations and Depot Management | 632 | 632 | 575 | Cr 57 | 3 | 0 | 0 |
| 552 | | 632 | 632 | 575 | Cr 57 | | 0 | 0 |
| | Traffic, Parking and Highways | | | | | | | |
| -140 | Traffic & Road Safety | 161 | 161 | 132 | Cr 29 | 4 | Cr 86 | 0 |
| Cr 8,209 | Parking | Cr 9,186 | Cr 9,186 | Cr 8,358 | 828 | 5 | 650 | 0 |
| 8,979 | Highways (including London Permit Scheme) | 9,339 | 9,584 | 9,984 | 400 | 6 | Cr 101 | 0 |
| 630 | | 314 | 559 | 1,758 | 1,199 | | 463 | 0 |
| 35,337 | TOTAL CONTROLLABLE | 38,033 | 38,497 | 39,862 | 1,365 | | 623 | 0 |
| 1,673 | TOTAL NON-CONTROLLABLE | 6,743 | 6,743 | 6,743 | 0 | | 0 | 0 |
| 2,284 | TOTAL EXCLUDED RECHARGES | 2,343 | 2,343 | 2,343 | 0 | | 0 | 0 |
| 39,294 | PORTFOLIO TOTAL | 47,119 | 47,583 | 48,948 | 1,365 | | 623 | 0 |

Reconciliation of Latest Approved Budget

£'000

Original Budget 2023/24

47,119

Carry Forward Requests approved from 2022/23

Highways Income for Road Maintenance

245

Central Contingency Adjustments

Inflationary Uplifts

219

Other Budget Movements

Hill Car Park Repair - Infrastructure Investment Fund

250

Hill Car Park Repair - Infrastructure Investment Fund

Cr 250

Latest Approved Budget for 2023/24

47,583

REASONS FOR VARIATIONS

1. Arboriculture Dr £100k

Tree works are identified through a triennial inspection programme and carried out in compliance with the adopted Tree Management Strategy to manage risk. The projected overspend of £100k recognises that in previous years, the volume of essential works has exceeded the budget available. There are several unknown factors affecting budget which make overspend a risk, including the result of additional procurement activity agreed by the Executive in July 2023 where budget risk was identified in the report.

2. Business Support & Markets Dr £123k

The service is expecting an underachievement of income across Advertising, Street Trading and Markets of £144k, which is partly offset by an underspend on staffing of £21k as a vacant post is being used to fund a fixed term post on a lower grade.

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 and being made permanent, which allows businesses to apply for a pavement licence for a £100 administration fee with no ongoing charges; this administration process is managed through Licensing in Public Protection. This is a significant reduction compared to the permanent street trading licence scheme where the fees charged were significantly higher and are subject to periodic 6-month renewal. The estimated net impact on the Council this year is a loss of £80k.

Advertising income is underachieving by £9k, the Promotional Activity in Bromley High Street has fewer larger scale week-long promotions. The majority of the promotional activity comes from smaller companies and it is limited to a few days, generating less income.

3. Transport Operations and Depot Management Cr £57k

The service is reporting a £57k underspend this is on staffing costs, where we have officers who have moved to part time, freeing up some budget.

4. Traffic & Road Safety Cr £29k

As has been reported in the last couple of years, TFL funding has been reduced and beyond 2024/25 there is uncertainty of funding levels. The service is retaining vacancies as mitigation against this loss of funding. There has also been an over achievement from advertising income & Road closures.

5. Parking, Dr £828k

| | Total |
|---|--------------|
| | £'000 |
| Summary of variations within Parking | |
| Off Street (incl. Multi Storey Car Parks) | 505 |
| On Street | -105 |
| Parking fees total: | 400 |
| Moving Traffic Contraventions (MTCs) | 408 |
| CCTV- Schools/ Bus Stops | -52 |
| CEO Enforcement (PCN's) | -513 |
| Bus Lanes | 585 |
| Enforcement total: | 428 |
| Total variations | 828 |

5a. Car Parks (off street and multistorey car parks) Dr £505k

Car Park usage has decreased, however this has been an on-going trend for a number of years and may have been exacerbated by the cost of living crisis and the introduction of ULEZ. Officers will continue to monitor and analyse the data trends to ensure the correct tariffs are in place to help with demand per location.

A decision was made to close the Hill multistorey car park in October 23 due to Safety concerns. Motorists are being advised to use nearby car parks and on street parking facilities whilst the future of the car park is being considered. Officers will monitor usage to establish if the regular users of the Hill are using these other Council parking places, however it is likely that income will reduce as not all displaced parking will be to Council car parks.

5b. On Street Car Parks Cr £105k

On street parking income is overachieving the budget with the demand for on street parking sessions remaining steady. Officers will continue to monitor and analyse the data trends to ensure the correct tariffs are in place to help with demand per location.

5c. Moving Traffic Contraventions (MTCs), Dr £408k

The trend of nearly two years of enforcement has shown that driver compliance with moving traffic regulations has improved; the average number of PCNs being issued in April to Aug 22 was 2,721 p/m, compared to the average in April to Aug 23 being 2,414. Maintenance costs for all MTC cameras have increased and for 23/24 currently stands at £61k which is £20k over budget.

5d. CCTV - Schools/ Bus Stops, Cr 52k

Compliance around the schools has continued to improve, whereas one camera at a bus stop has seen a large number of PCNs being issued. April to August 22 there were 61 PCNs p/m whereas in the same period in April to August 23 there was an average of 129 PCNs p/m. Maintenance costs for all school and bus stop cameras was £3,329.

5e. CEO Enforcement (PCN's), Cr £513k

From May 23 additional CEOs have been deployed around the Borough to help to achieve an improved compliance around the Borough, CEOs have been employed on different working patterns to help achieve this. From April to August 22, the average number of PCNs issued p/m was 5,394, whereas in the same time period in 2023 6,851 PCNs were issued. In due course the additional enforcement may lead to more compliance and less income.

5f. Bus Lanes Dr £585k

As has been reported previously, compliance by drivers in bus lanes continues to improve with the average PCNs issued per month between April to August 22 being 931, compared to 774 PCNs being issued in the same time period in 2023. Maintenance costs for bus lane cameras for 23/24 is £25,544.

6. Highways, including London Permit Scheme Dr £400k

The service has an overall overspend of £400k.

There is an overspend of £500k in Highway Services, as the number of highway defects (carriageway and footway) has nearly doubled in the first 6 months of the year and these projects have statutory requirements. A second contractor had to be employed to clear the existing backlog from the main supplier, J B Riney. Officers will continue to monitor the situation as there is a possibility of further cost pressures which will be clearer in Q3.

The overspend is partially offset by an underspend in Street Lighting, on Traffic Signal Maintenance, this equates to £100k.

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 & Enforcement Budget Monitoring Summary

| 2022/23 Actuals £'000 | Service Areas | 2023/24 Original Budget £'000 | 2023/24 Latest Approved £'000 | 2023/24 Projected Outturn £'000 | Variation £'000 | Notes | Variation Last Reported £'000 | Full Year Effect £'000 |
|-----------------------------|---------------------------------|--|--|--|--------------------|-------|--|------------------------------|
| | Public Protection | | | | | | | |
| 483 | Community Safety | 540 | 584 | 584 | 0 | | 0 | 0 |
| 152 | Emergency Planning | 157 | 157 | 157 | 0 | | 0 | 0 |
| 823 | Mortuary & Coroners Service | 939 | 939 | 939 | 0 | | 0 | 0 |
| 1,251 | Public Protection | 1,592 | 1,737 | 1,737 | 0 | | 0 | 0 |
| 2,709 | TOTAL CONTROLLABLE | 3,228 | 3,417 | 3,417 | 0 | | 0 | 0 |
| 3 | TOTAL NON CONTROLLABLE | 12 | 12 | 12 | 0 | | 0 | 0 |
| 950 | TOTAL EXCLUDED RECHARGES | 816 | 816 | 816 | 0 | | 0 | 0 |
| 3,662 | PORTFOLIO TOTAL | 4,056 | 4,245 | 4,245 | 0 | | 0 | 0 |

Reconciliation of Latest Approved Budget

£'000

Original Budget 2023/24

4,056

Out of Hours Noise Service in Community Safety

50

Carry Forward Requests approved from 2022/23

POCA confiscation orders from the courts

61

HMO income

78

Latest Approved Budget for 2023/24

4,245

REASONS FOR VARIATIONS

No variation to report across PPE, just to note a £300k growth was awarded to the Mortuary and Coroners Service for 2023/24, this has mitigated the pressure in this area from last 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 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 & Housing Budget Monitoring Summary

| 2022/23 Actuals £'000 | Division Service Areas | 2023/24 Original Budget £'000 | 2023/24 Latest Approved £'000 | 2023/24 Projected Outturn £'000 | Variation £'000 | Notes | Variation Last Reported £'000 | Full Year Effect £'000 |
|--------------------------|---|----------------------------------|----------------------------------|------------------------------------|--------------------|-------|----------------------------------|---------------------------|
| | PLACE DEPARTMENT | | | | | | | |
| | Planning | | | | | | | |
| 27 | Building Control | 70 | 70 | 313 | 243 | 1 | 196 | 0 |
| Cr 63 | Land Charges | Cr 117 | Cr 117 | Cr 47 | 70 | 2 | 70 | 0 |
| 1,823 | Planning | 986 | 1,106 | 1,315 | 209 | 3 | 285 | 0 |
| 1,787 | | 939 | 1,059 | 1,581 | 522 | | 551 | 0 |
| | Culture & Regeneration | | | | | | | |
| 1,384 | Culture | 1,120 | 1,120 | 1,120 | 0 | | 0 | 0 |
| 5,570 | Libraries | 5,174 | 5,365 | 5,365 | 0 | | 0 | 0 |
| 87 | Town Centre Management | 44 | 44 | 44 | 0 | | 0 | 0 |
| 7,041 | | 6,338 | 6,529 | 6,529 | 0 | | 0 | 0 |
| | Operational Housing | | | | | | | |
| 1,276 | Housing Strategy, Advice and Enabling | 1,522 | 1,522 | 1,522 | 0 | | 0 | 0 |
| Cr 1,502 | Housing Benefits | Cr 1,586 | Cr 1,586 | Cr 1,586 | 0 | | 0 | 0 |
| Cr 54 | Housing Improvement | Cr 20 | Cr 20 | Cr 20 | 0 | | 0 | 0 |
| 7,046 | Allocations and Accommodation | 5,613 | 5,613 | 8,170 | 2,557 | 4 | 2,176 | 4,766 |
| 921 | Supporting People | 1,134 | 1,134 | 986 | Cr 148 | 5 | Cr 148 | Cr 148 |
| 1,095 | Housing Options and Support | 1,671 | 1,671 | 1,621 | Cr 50 | 6 | Cr 100 | 0 |
| 8,782 | | 8,334 | 8,334 | 10,693 | 2,359 | | 1,928 | 4,618 |
| 17,610 | Total Controllable | 15,611 | 15,922 | 18,803 | 2,881 | | 2,479 | 4,618 |
| Cr 412 | TOTAL NON CONTROLLABLE | Cr 541 | Cr 541 | Cr 541 | 0 | | 0 | 0 |
| 5,691 | TOTAL EXCLUDED RECHARGES | 5,583 | 5,583 | 5,583 | 0 | | 0 | 0 |
| 22,889 | TOTAL RR & H PORTFOLIO TOTAL | 20,653 | 20,964 | 23,845 | 2,881 | | 2,479 | 4,618 |

Reconciliation of Latest Approved Budget

£'000

Original budget 2023/24

20,653

Carry Forward Requests approved from 2022/23

| | |
|---|----------|
| Homelessness Reduction Grant | 89 |
| Homelessness Reduction Grant | Cr 89 |
| Accommodation for ex-Offenders Expenditure | 64 |
| Accommodation for ex-Offenders Grant | Cr 64 |
| Rough Sleepers Initiative Grant expenditure | 43 |
| Rough Sleepers Initiative Grant income | Cr 43 |
| Homes for Ukraine Grant | 2,200 |
| Homes for Ukraine Grant | Cr 2,200 |
| Defra Biodiversity Net Gain Grant | 13 |
| Defra Biodiversity Net Gain Grant | Cr 13 |
| New Homes Bonus Funded LEP Programme | 73 |
| New Homes Bonus Funded LEP Programme | Cr 73 |
| Local Plan Implementation | 120 |

Central Contingency Adjustments

| | |
|--|--------|
| 2023-24 Accommodation for Ex-Offenders expenditure | 74 |
| 2023-24 Accommodation for Ex-Offenders income | Cr 74 |
| 2023-24 Rough Sleepers Initiative Grant expenditure | 214 |
| 2023-24 Rough Sleepers Initiative Grant income | Cr 214 |
| 2023-24 Rough Sleepers Initiative Grant expenditure confirmed total allocation | 214 |
| 2023-24 Rough Sleepers Initiative Grant income confirmed total allocation | Cr 214 |
| Homelessness Prevention Grant - 2023-24 additional allocation | 361 |
| Homelessness Prevention Grant - 2023-24 additional allocation | Cr 361 |
| HPG- 2023/2024 Homes For Ukraine Funding Top-Up | 1,117 |

| | |
|---|----------|
| HPG– 2023/2024 Homes For Ukraine Funding Top-Up | Cr 1,117 |
| Inflation - Libraries contract | 191 |

Other

| | |
|---|----------------------|
| Latest Approved Budget for 2023/24 | <u><u>20,964</u></u> |
|---|----------------------|

REASONS FOR VARIATIONS

With higher interest rates and the cost of living affecting the economy, there is pressure on income budgets across the Property and Planning Divisions.

1. Building Control Dr £243k

Building Control fees were increased in 2022/23 in order to realign the budgeted income target with a more realistic outcome, but in 2023/24 an agreed saving increased the income budget target by £79k overall. Based on the activity in the past 6 months we anticipate that income will fall short of the budgeted amount by £243k. As the forecast is based on 6 months of actual income received and 6 months estimated if the activity improves the forecast will be adjust for Q3. .

2. Land Charges Dr £70k

Similar to Building Control, we anticipate a variation overspend of around £70k which remains the same as Q1, and historically this has been the case over the past a few years, but assuming the activity improves in the remaining 6 months and if the introduction of a fees review is completed within this financial year and implemented this will reduce the variation.

3. Planning Dr £209k

Planning Pre-Apps & Planning 'Significant' Major Apps We are currently forecasting a shortfall of income for Q2 of £209k; this is an improvement on Q1 by £76k and based on the current levels of activity. It should be noted that the Government's planning application fees draft regulations consultation may increase future fee levels by 30%, however, any increase in fees is not currently expected to come into force until April 2024.

<https://www.legislation.gov.uk/ukdsi/2023/9780348250404>

4. Allocations and Accommodation Dr £2,557k

There is currently a forecast overspend of £2,795k in the Temporary Accommodation before projected savings from the continuation of the Transformation Programme. For this round of budget monitoring the number of Households in nightly paid Temporary Accommodation was 1,161 (was 1,125 in Q1). It is currently expected that this will increase to 1,281 by the end of the financial year, at a current average cost of £8,857 per household per annum (£8,268 in Q1).

These figures exclude other schemes like More Homes Bromley, Pinnacle (formerly Orchard & Shipman), ex-residential care homes, and the Bromley Private Sector Leasing Scheme. Once these have been included there are currently over 1,547 households in Temporary Accommodation.

Transformation Programme savings totalling £193k have been identified for 2023-24 with the following schemes planned to be completed to provide a longer term alternative to expensive nightly paid accommodation, Meadowship Homes Phase 2 £126k and York Rise £67k. Other earlier schemes in the programme have been completed and are contributing to the housing options available. The Full Year Effect of these savings is estimated at around £1.3m.

| | £'000 |
|--|---------------------|
| Summary of overall variations within Allocations and Accommodation: | |
| Temporary Accommodation | 2,795 |
| Transformation Savings | Cr 193 |
| PSL Incentive Payments and Rent Deposit Scheme and Furniture Storage | Cr 45 |
| Total variation for Allocations and Accommodation | <u>2,557</u> |

5. Supporting People Cr £148k

A £148k underspend is currently forecast in the Supporting People mainly as a result of procurement exercises during 2021/22 and 2022/23 containing costs within inflation that had accumulated in the budget. The full retendering exercise has been completed and the current underspend will remain in this budget to cover potential future pressures.

6. Housing Options and Support Cr £50k

A £50k underspend is currently forecast in Housing Options and Support on salary costs. There has been a successful round of recruitment recently, but there are still some difficult to fill vacancies in the service.

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, no virements have been actioned.

Resources, Commissioning & Contracts Management Portfolio Budget Monitoring Summary

| 2022/23 Actuals | | 2023/24 Original Budget £'000 | 2023/24 Latest Approved £'000 | 2023/24 Projected Outturn £'000 | Variation £'000 | Notes | Variation Last Reported £'000 | Full Year Effect £'000 |
|--------------------|--|--|--|--|--------------------|-------|--|------------------------------|
| | CHIEF EXECUTIVE'S DEPARTMENT | | | | | | | |
| | FINANCIAL SERVICES DIVISION | | | | | | | |
| 265 | Director of Finance & Other | 267 | 267 | 267 | 0 | | 0 | 0 |
| 5,953 | Exchequer - Revenue & Benefits | 6,831 | 6,784 | 6,784 | 0 | | 0 | 0 |
| 2,249 | Exchequer - Payments & Income | 2,295 | 2,444 | 2,444 | 0 | | 0 | 0 |
| 582 | Financial Accounting | 1,233 | 1,233 | 1,233 | 0 | | 0 | 0 |
| 1,730 | Management Accounting | 1,991 | 1,997 | 1,997 | 0 | | 0 | 0 |
| 848 | Audit | 1,073 | 1,073 | 1,073 | 0 | | 0 | 0 |
| 11,627 | Total Financial Services Division | 13,690 | 13,798 | 13,798 | 0 | | 0 | 0 |
| | CORPORATE SERVICES DIVISION | | | | | | | |
| 6,911 | Information Systems & Telephony | 7,238 | 7,238 | 7,448 | 210 | 1 | 219 | 0 |
| | Legal Services & Democracy | | | | | | | |
| 1,221 | Electoral | 512 | 512 | 519 | 7 | 2 | 0 | 0 |
| 1,473 | Democratic Services | 1,607 | 1,607 | 1,514 | Cr 93 | 3 | Cr 102 | 0 |
| 179 | Mayoral | 184 | 184 | 184 | 0 | | 0 | 0 |
| 2,986 | Legal Services | 2,525 | 2,835 | 3,084 | 249 | 4 | 430 | 0 |
| 529 | Procurement and Data Management | 585 | 585 | 585 | 0 | | 0 | 0 |
| 219 | Management and Other (Corporate Services) | 235 | 235 | 235 | 0 | | 0 | 0 |
| 13,518 | Total Corporate Services Division | 12,886 | 13,196 | 13,569 | 373 | | 547 | 0 |
| | HR AND CUSTOMER SERVICES DIVISION | | | | | | | |
| 2,429 | Human Resources | 2,499 | 2,499 | 2,663 | 164 | 5 | 0 | 0 |
| | Customer Services | | | | | | | |
| Cr 1,185 | Contact Centre | 1,249 | 1,304 | 1,287 | Cr 17 | 6 | 0 | 0 |
| 99 | Registration of Births, Deaths & Marriages | Cr 131 | Cr 131 | Cr 250 | Cr 119 | | 0 | 0 |
| 306 | CE - Consultation & Communication | 326 | 326 | 304 | Cr 22 | | 0 | 0 |
| 3,821 | Total HR & Customer Services Division | 3,943 | 3,998 | 4,004 | 6 | | 0 | 0 |
| | CHIEF EXECUTIVE'S DIVISION | | | | | | | |
| 826 | Management and Other (C. Exec) | 1,162 | 1,162 | 1,162 | 0 | | 0 | 0 |
| 826 | Total Chief Executive's Division | 1,162 | 1,162 | 1,162 | 0 | | 0 | 0 |
| | CENTRAL ITEMS | | | | | | | |
| 808 | CDC & Non Distributed Costs (Past Deficit etc.) | 1,361 | 1,361 | 1,361 | 0 | | 0 | 0 |
| 5,964 | Concessionary Fares | 7,320 | 6,982 | 6,982 | 0 | | 0 | 0 |
| 36,564 | TOTAL CONTROLLABLE CE DEPT | 40,362 | 40,497 | 40,876 | 379 | | 547 | 0 |
| 14 | TOTAL NON CONTROLLABLE | 449 | 449 | 449 | 0 | | 0 | 0 |
| Cr 22,246 | TOTAL EXCLUDED RECHARGES | Cr 17,569 | Cr 17,569 | Cr 17,569 | 0 | | 0 | 0 |
| 14,332 | TOTAL CE DEPARTMENT | 23,242 | 23,377 | 23,756 | 379 | | 547 | 0 |
| | CHILDREN, EDUCATION AND FAMILIES DEPARTMENT | | | | | | | |
| | Strategy and Corporate Projects | | | | | | | |
| 133 | Commissioning | 237 | 237 | 112 | Cr 125 | 7 | Cr 70 | 0 |
| 1,781 | Strategy, Performance and Engagement | 1,884 | 1,884 | 1,856 | Cr 28 | 8 | Cr 34 | 0 |
| 1,914 | TOTAL CONTROLLABLE CEF DEPT | 2,121 | 2,121 | 1,968 | Cr 153 | | Cr 104 | 0 |
| 3 | TOTAL NON CONTROLLABLE | 1 | 1 | 1 | 0 | | 0 | 0 |
| Cr 2,152 | TOTAL EXCLUDED RECHARGES | Cr 2,178 | Cr 2,178 | Cr 2,178 | 0 | | 0 | 0 |
| Cr 235 | TOTAL CEF DEPARTMENT | Cr 56 | Cr 56 | Cr 209 | Cr 153 | | Cr 104 | 0 |
| | ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT | | | | | | | |
| | Total Facilities Management | | | | | | | |
| 2,134 | Admin Buildings & Facilities Support | 1,727 | 1,727 | 1,727 | 0 | | 0 | 0 |
| 1,147 | Investment & Non-Operational Property | 823 | 823 | 823 | 0 | | 0 | 0 |
| Cr 270 | Strategic & Operational Property Services | 1,020 | 1,170 | 1,170 | 0 | | 0 | 0 |
| 2,191 | TFM Client Monitoring Team | 1,957 | 1,957 | 1,957 | 0 | | 0 | 0 |
| Cr 1,528 | Other Rental Income - Other Portfolios | Cr 1,683 | Cr 1,683 | Cr 1,683 | 0 | | 0 | 0 |
| 2,626 | Repairs & Maintenance (All LBB) | 2,513 | 2,513 | 2,513 | 0 | | 0 | 0 |
| 6,300 | TOTAL CONTROLLABLE ECS DEPT | 6,357 | 6,507 | 6,507 | 0 | | 0 | 0 |
| 64 | TOTAL NON CONTROLLABLE | 7,919 | 7,919 | 7,919 | 0 | | 0 | 0 |
| Cr 872 | TOTAL EXCLUDED RECHARGES | Cr 4,308 | Cr 4,308 | Cr 4,308 | 0 | | 0 | 0 |
| Cr 1,696 | Less: R&M allocated across other Portfolios | Cr 1,726 | Cr 1,726 | Cr 1,726 | 0 | | 0 | 0 |
| 1,528 | Less: Rent allocated across other Portfolios | 1,683 | 1,683 | 1,683 | 0 | | 0 | 0 |

| | | | | | | | |
|--------|----------------------|--------|--------|--------|-----|-----|---|
| 5,324 | TOTAL ECS DEPARTMENT | 9,925 | 10,075 | 10,075 | 0 | 0 | 0 |
| 19,421 | TOTAL RCCM PORTFOLIO | 33,111 | 33,396 | 33,622 | 226 | 443 | 0 |

| | | | | |
|---|----|---------------|---------------|-----------------------------|
| | | | | 285 |
| Reconciliation of Latest Approved Budget | | £'000 | | |
| Original budget 2023/24 | | 33,111 | | |
| Carry Forward Requests approved from 2022/23 | | | | |
| Electoral Services - New Burdens Grant | | | | |
| - Expenditure | | 15 | | To be carried forward 24-25 |
| - Income | Cr | 15 | | |
| Local Digital Cyber Fund | | | | |
| - Expenditure | | 50 | | |
| - Income | Cr | 50 | | |
| BEIS - EBSS AF and AFP | | | | |
| - Expenditure | | 847 | | |
| - Income | Cr | 847 | | |
| Legal Services - ULEZ | | 140 | | |
| | | | 140 | |
| Central Contingency Adjustments | | | | |
| Legal support - children and adults social care | | | 170 | |
| Energy contract (part year) | | | | |
| Local election May 2022 | | | | |
| Legal Support – children’s and adults social care | | | | |
| Inflation | | | | |
| IT contract procurement | | | | |
| Resources to support GDPR compliance | | | | |
| Inflation - Concessionary Fares | | | -338 | |
| Inflation - Liberata contract - Exchequer Services | | | 102 | |
| Inflation - Liberata contract - Contact Centre | | | 55 | |
| Inflation - Liberata contract - School Finance | | | 6 | |
| Star Lane works | | | 150 | |
| Other Budget Movements | | | | |
| IT Drawdown from reserves | | | 336 | |
| IT Drawdown from reserves | Cr | | 336 | |
| Electoral Integrity Programme New Burdens Funding Grant | | | 49 | |
| Electoral Integrity Programme New Burdens Funding Grant | Cr | | 49 | |
| Latest Approved Budget for 2023/24 | | | 33,396 | |

REASONS FOR VARIATIONS

1. Information Systems & Telephony DR £210k

Information System is forecasting a revenue overspend of £210k, this is made up of the following £86k relating to the BT contract this is an improvement on Q1 but can fluctuate from month to month. Also £124k for the additional Microsoft Enterprise Agreement licences this is an increase of £26k on Q1, IT have confirmed that the number of licenses being issued is growing and the budget is not reflecting this.

2. Electoral DR £7k

A £7k overspend is being forecast due to an imminent By-Election and the increase cost of running these.

3. Democratic Services CR £93k

A £75k underspend is currently being forecast on Members Allowances which is in line with last years outturn, £5k of this is offsetting the overspend on Supplies and Service. in addition there is a £23k underspend on Democratic Service salary costs, which relates to a vacant post.

4 Legal Services Dr £249k

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 team has had to engage locum lawyers in order to meet the increased demand, thereby putting pressure on the staffing budget. For Q2 we are projecting a £144k overspend on salaries, which is an improvement of £186k on Q1. Also HMCT are introducing additional fees which will put even more pressure on the Court Fees budget, with current projections of a £105k overspend at this point in the financial year.

5 Human Resources DR £164k

The HR Dept. is currently forecasting a £164k overspend on Salaries due the increase workload and pressure of the new system and can largely be offset by the additional income and underspend within Customer Services.

6 Customer Services Cr £158k

Customer Services is projecting a £158k underspend, this includes, Registrars additional income of £119k, £17k on Supplies and services' within the Contact Centre and a salary underspend of £22k in Comm's which is due to a vacant post. This however is covering the shortfall stated above in the HR Dept. of £164k. Therefore looking at the department as a whole the HR & Customer Service Division is forecasting a total shortfall of £6k for Q2.

7. Commissioning Cr £125k

The underspend of £125k in this area is due to an underspend on staffing.

8. Strategy, Performance and Engagement Cr £28k

The underspend of £28k in this area is due to an underspend on staffing of £39k and running costs of £50k. These underspends are being offset by an under collection of income of £61k.

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 2023/24

| Item | Original Contingency Provision | Allocations | | | | Variation to Original Contingency Provision |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------------------|---------------------------------------|---|
| | | Previously Approved Items | New Items Requested this Cycle | Items Projected for Remainder of Year | Total Allocations/ Projected for Year | |
| | £ | £ | £ | £ | £ | |
| General | | | | | | |
| Provision for Unallocated Inflation | 9,080,000 | 1,436,000 | 219,000 | 3,925,000 | 5,580,000 | (4)&(5) Cr 3,500,000 |
| Provision for increase in fuel costs | 2,624,000 | | | 1,624,000 | 1,624,000 | Cr 1,000,000 |
| Adult Social Care Market Sustainability and Improvement Fund | 2,800,000 | 2,788,000 | | 0 | 2,788,000 | (1) Cr 12,000 |
| General Provision for Risk/Uncertainty | 3,500,000 | | 1,400,000 | 2,100,000 | 3,500,000 | (5) 0 |
| SEND Transport Growth | 1,000,000 | 1,000,000 | | 0 | 1,000,000 | (1) 0 |
| Social Care grant re ASC reforms | Cr 720,000 | | Cr 720,000 | | Cr 720,000 | (5) 0 |
| ASC Discharge Fund | Cr 1,083,000 | Cr 1,084,000 | | 0 | Cr 1,084,000 | (4) Cr 1,000 |
| Building Infrastructure Fund | 2,000,000 | 2,000,000 | | 0 | 2,000,000 | (4) 0 |
| Property income recovery/rent variations | 500,000 | | | 500,000 | 500,000 | 0 |
| Legal support - children and adults social care | 170,000 | 170,000 | | 0 | 170,000 | (4) 0 |
| Revenue impact of Capital Financing Programme | 6,600,000 | 2,500,000 | | 0 | 2,500,000 | (4) Cr 4,100,000 |
| Star Lane works | 0 | 150,000 | | 0 | 150,000 | (4) 150,000 |
| Dual running of Civic Centre | 0 | 1,800,000 | | 0 | 1,800,000 | (4) 1,800,000 |
| Renewal, Recreation & Housing | | | | | | |
| Property Valuation | 100,000 | | | 100,000 | 100,000 | 0 |
| Planning Appeals - change in legislation | 60,000 | | | 60,000 | 60,000 | 0 |
| | 26,631,000 | 10,760,000 | 899,000 | 8,309,000 | 19,968,000 | Cr 6,663,000 |
| Grants included within Central Contingency Sum | | | | | | |
| Rough Sleeping Initiative | | | | | | |
| Grant Related Expenditure | 104,000 | | | 104,000 | 104,000 | 0 |
| Grant Related Income | Cr 104,000 | | | Cr 104,000 | Cr 104,000 | 0 |
| Homeless Prevention Initiatives | | | | | | |
| Grant Related Expenditure | 784,000 | | | 784,000 | 784,000 | 0 |
| Grant related Income | Cr 784,000 | | | Cr 784,000 | Cr 784,000 | 0 |
| Supporting Families; Investing in Practice Grant | | | | | | |
| Grant Related Expenditure | 1,030,000 | | | 1,030,000 | 1,030,000 | 0 |
| Grant related Income | Cr 1,030,000 | | | Cr 1,030,000 | Cr 1,030,000 | 0 |
| Renewal, Recreation & Housing | | | | | | |
| 2023-24 Accommodation for Ex-Offenders expenditure | | | | | | |
| Grant Related Expenditure | | 74,000 | | 0 | 74,000 | (4) Cr 74,000 |
| Grant Related Income | | Cr 74,000 | | 0 | Cr 74,000 | |
| 2023-24 Rough Sleepers Initiative Grant expenditure | | | | | | |
| Grant Related Expenditure | | 214,000 | | 0 | 214,000 | (4) Cr 214,000 |
| Grant Related Income | | Cr 214,000 | | 0 | Cr 214,000 | |
| Homelessness Prevention Grant - 2023-24 additional allocation | | | | | | |
| Grant Related Expenditure | | 361,000 | | 0 | 361,000 | (4) Cr 361,000 |
| Grant Related Income | | Cr 361,000 | | 0 | Cr 361,000 | |
| Homes for Ukraine Grant | | | | | | |
| Grant Related Expenditure | | | 80,000 | 324,200 | 404,200 | (5) Cr 404,200 |
| Grant Related Income | | | Cr 80,000 | Cr 324,200 | Cr 404,200 | |
| HPG – 2023/2024 Homes For Ukraine Funding Top-Up | | | | | | |
| Grant Related Expenditure | | 1,117,000 | | 0 | 1,117,000 | (4) Cr 1,117,000 |
| Grant Related Income | | Cr 1,117,000 | | 0 | Cr 1,117,000 | |
| Children, Education and Families | | | | | | |
| S31 Leaving Care Uplift Grant | | | | | | |
| Grant Related Expenditure | | 68,000 | | 0 | 68,000 | (4) Cr 68,000 |
| Grant Related Income | | Cr 68,000 | | 0 | Cr 68,000 | |
| GLA free school meal payment | | | | | | |
| Grant Related Expenditure | | 6,036,000 | | 0 | 6,036,000 | (4) Cr 6,036,000 |
| Grant Related Income | | Cr 6,036,000 | | 0 | Cr 6,036,000 | |
| UKSPF funding | | | | | | |
| Grant Related Expenditure | | 275,000 | | 0 | 275,000 | (3) Cr 275,000 |
| Grant Related Income | | Cr 275,000 | | 0 | Cr 275,000 | |
| Early Years Supplementary Grant | | | | | | |
| Grant Related Expenditure | | | 1,669,000 | 0 | 1,669,000 | (5) Cr 1,669,000 |
| Grant Related Income | | | Cr 1,669,000 | 0 | Cr 1,669,000 | |
| Adult Education GLA Grant Funding | | | | | | |
| Grant Related Expenditure | | | 82,000 | 0 | 82,000 | (5) Cr 82,000 |
| Grant Related Income | | | Cr 82,000 | 0 | Cr 82,000 | |
| Early Years and High Needs DSG | | | | | | |
| Grant Related Expenditure | | | 1,335,000 | 0 | 1,335,000 | (5) Cr 1,335,000 |
| Grant Related Income | | | Cr 1,335,000 | 0 | Cr 1,335,000 | |

| Adult Social Care | | | | | | |
|---|----|-------------------|-------------------|----------------|------------------|---------------------|
| Work Safe Project | | | | | | |
| Grant Related Expenditure | | 65,000 | | 0 | 65,000 | 65,000 |
| Grant Related Income | Cr | 65,000 | | 0 | Cr 65,000 | (2) Cr 65,000 |
| Market Sustainability and Improvement Fund - Workforce Fund | | | | | | |
| - expenditure | | 1,810,000 | | 0 | 1,810,000 | 1,810,000 |
| - income | Cr | 1,810,000 | | 0 | Cr 1,810,000 | (4) Cr 1,810,000 |
| ICB Funding for Hospital Discharges | | | | | | |
| - expenditure | | 1,511,000 | | 0 | 1,511,000 | 1,511,000 |
| - income | Cr | 1,511,000 | | 0 | Cr 1,511,000 | (4) Cr 1,511,000 |
| TOTAL CARRIED FORWARD | | 26,631,000 | 10,760,000 | 899,000 | 8,309,000 | 19,968,000 |
| | | | | | | Cr 6,663,000 |

Notes:

- (1) 29th March 2023
- (2) 17th May 2023
- (3) 5th July 2023
- (4) 20th September 2023
- (5) 29th November 2023

Allocation of Contingency Provision for 2023/24 (continued)

| Item | Carried Forward from 2022/23 | 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 | |
| | £ | £ | £ | £ | £ | £ |
| TOTAL BROUGHT FORWARD | 26,631,000 | 10,760,000 | 899,000 | 8,309,000 | 19,968,000 | Cr 6,663,000 |
| Items Carried Forward from 2022/23 | | | | | | |
| Adult Care & Health Portfolio | | | | | | |
| Supplementary Substance Misuse Treatment & Recovery Funding | | | | | | |
| - Expenditure | 57,217 | 57,217 | | 0 | 57,217 | 0 |
| - Income | Cr 57,217 | Cr 57,217 | | 0 | Cr 57,217 | (1) 0 |
| Improved Better Care Fund (IBCF) | | | | | | |
| - Expenditure | 1,911,026 | 1,911,026 | | 0 | 1,911,026 | 0 |
| - Income | Cr 1,911,026 | Cr 1,911,026 | | 0 | Cr 1,911,026 | (1) 0 |
| Public Health | | | | | | |
| - Expenditure | 2,874,494 | 2,874,494 | | 0 | 2,874,494 | 0 |
| - Income | Cr 2,874,494 | Cr 2,874,494 | | 0 | Cr 2,874,494 | (1) 0 |
| LD/Autism Funding from South East London ICB | | | | | | |
| - Expenditure | 207,904 | 207,904 | | 0 | 207,904 | 0 |
| - Income | Cr 207,904 | Cr 207,904 | | 0 | Cr 207,904 | (1) 0 |
| Discharge Transformation funding from South East London ICB | | | | | | |
| - Expenditure | 256,065 | 256,065 | | 0 | 256,065 | 0 |
| - Income | Cr 256,065 | Cr 256,065 | | 0 | Cr 256,065 | (1) 0 |
| Winter Resilience Funding | | | | | | |
| - Expenditure | 400,000 | 400,000 | | 0 | 400,000 | 0 |
| - Income | Cr 400,000 | Cr 400,000 | | 0 | Cr 400,000 | (1) 0 |
| Omicron Support Fund | | | | | | |
| - Expenditure | 136,212 | 136,212 | | 0 | 136,212 | 0 |
| - Income | Cr 136,212 | Cr 136,212 | | 0 | Cr 136,212 | (1) 0 |
| Test and Trace service support grant | | | | | | |
| - Expenditure | 368,138 | 368,138 | | 0 | 368,138 | 0 |
| - Income | Cr 368,138 | Cr 368,138 | | 0 | Cr 368,138 | (1) 0 |
| Charging Reform Implementation Support Grant | | | | | | |
| - Expenditure | 104,250 | 104,250 | | 0 | 104,250 | 0 |
| - Income | Cr 104,250 | Cr 104,250 | | 0 | Cr 104,250 | (1) 0 |
| Contain Outbreak Management Fund grant | | | | | | |
| - Expenditure | 54,300 | 54,300 | | 0 | 54,300 | 0 |
| - Income | Cr 54,300 | Cr 54,300 | | 0 | Cr 54,300 | (1) 0 |
| Renewal, Recreation & Housing Portfolio | | | | | | |
| Accommodation for ex-Offenders | | | | | | |
| - Expenditure | 63,669 | 63,669 | | 0 | 63,669 | 0 |
| - Income | Cr 63,669 | Cr 63,669 | | 0 | Cr 63,669 | (1) 0 |
| Defra Biodiversity Net Gain Grant | | | | | | |
| - Expenditure | 13,216 | 13,216 | | 0 | 13,216 | 0 |
| - Income | Cr 13,216 | Cr 13,216 | | 0 | Cr 13,216 | (1) 0 |
| Homelessness Reduction Grant | | | | | | |
| - Expenditure | 89,000 | 89,000 | | 0 | 89,000 | 0 |
| - Income | Cr 89,000 | Cr 89,000 | | 0 | Cr 89,000 | (1) 0 |
| New Homes Bonus Funded LEP Programme | | | | | | |
| - Expenditure | 72,521 | 72,521 | | 0 | 72,521 | 0 |
| - Income | Cr 72,521 | Cr 72,521 | | 0 | Cr 72,521 | (1) 0 |
| Rough Sleepers Initiative | | | | | | |
| - Expenditure | 42,663 | 42,663 | | 0 | 42,663 | 0 |
| - Income | Cr 42,663 | Cr 42,663 | | 0 | Cr 42,663 | (1) 0 |
| Homes for Ukraine grant | | | | | | |
| - Expenditure | 5,415,265 | 2,500,000 | | 2,915,265 | 5,415,265 | 0 |
| - Income | Cr 5,415,265 | Cr 2,500,000 | | Cr 2,915,265 | Cr 5,415,265 | (1) 0 |
| Children, Education and Families Portfolio | | | | | | |
| COVID Recovery Grant | | | | | | |
| - Expenditure | 130,091 | 130,091 | | 0 | 130,091 | 0 |
| - Income | Cr 130,091 | Cr 130,091 | | 0 | Cr 130,091 | (1) 0 |
| National Tutoring Programme | | | | | | |
| - Expenditure | 21,721 | 21,721 | | 0 | 21,721 | 0 |
| - Income | Cr 21,721 | Cr 21,721 | | 0 | Cr 21,721 | (1) 0 |
| GLA Adult Ed Grant Repayment | | | | | | |
| - Expenditure | 15,664 | 15,664 | | 0 | 15,664 | 0 |
| - Income | Cr 15,664 | Cr 15,664 | | 0 | Cr 15,664 | (1) 0 |

| Item | Carried Forward from 2022/23 | Allocations | | | | Total Allocations/Projected for Year | Variation to Original Contingency Provision |
|---|------------------------------|---------------------------|--------------------------------|---------------------------------|-------------------|--------------------------------------|---|
| | | Previously Approved Items | New Items Requested this Cycle | Projected for Remainder of Year | Items | | |
| | £ | £ | £ | £ | £ | £ | £ |
| Deed Settlement for Hawes Down Site | | | | | | | |
| - Expenditure | 5,370 | 5,370 | | 0 | 5,370 | (1) | 0 |
| - Income | Cr 5,370 | Cr 5,370 | | 0 | Cr 5,370 | | 0 |
| Supporting Families; Investing in Practice Grant | | | | | | | |
| - Expenditure | 475,140 | 475,140 | | 0 | 475,140 | (1) | 0 |
| - Income | Cr 475,140 | Cr 475,140 | | 0 | Cr 475,140 | | 0 |
| Virtual School - CIN Grant Carry Forward | | | | | | | |
| - Expenditure | 82,151 | 82,151 | | 0 | 82,151 | (1) | 0 |
| - Income | Cr 82,151 | Cr 82,151 | | 0 | Cr 82,151 | | 0 |
| Homes for Ukraine DfE Grant | | | | | | | |
| - Expenditure | 1,187,034 | 1,187,034 | | 0 | 1,187,034 | (1) | 0 |
| - Income | Cr 1,187,034 | Cr 1,187,034 | | 0 | Cr 1,187,034 | | 0 |
| BAEC upgrading hardware and supporting software - GLA Grant | | | | | | | |
| - Expenditure | 25,575 | 25,575 | | 0 | 25,575 | (1) | 0 |
| - Income | Cr 25,575 | Cr 25,575 | | 0 | Cr 25,575 | | 0 |
| YOT NHS Money | | | | | | | |
| - Expenditure | 29,300 | 29,300 | | 0 | 29,300 | (1) | 0 |
| - Income | Cr 29,300 | Cr 29,300 | | 0 | Cr 29,300 | | 0 |
| Resources, Commissioning and Contracts Portfolio | | | | | | | |
| Electoral Services - New Burdens Grant | | | | | | | |
| - Expenditure | 14,583 | 14,583 | | 0 | 14,583 | (1) | 0 |
| - Income | Cr 14,583 | Cr 14,583 | | 0 | Cr 14,583 | | 0 |
| Local Digital Cyber Fund | | | | | | | |
| - Expenditure | 49,837 | 49,837 | | 0 | 49,837 | (1) | 0 |
| - Income | Cr 49,837 | Cr 49,837 | | 0 | Cr 49,837 | | 0 |
| BEIS - EBSS AF and AFP | | | | | | | |
| - Expenditure | 847,200 | 847,200 | | 0 | 847,200 | (1) | 0 |
| - Income | Cr 847,200 | Cr 847,200 | | 0 | Cr 847,200 | | 0 |
| General | | | | | | | |
| POCA confiscation orders from the courts | 60,637 | 60,637 | | 0 | 60,637 | (1) | 0 |
| HMO income | 78,000 | 78,000 | | 0 | 78,000 | (1) | 0 |
| Legal Services - ULEZ | 140,000 | 140,000 | | 0 | 140,000 | (1) | 0 |
| Local Plan Implementation | 120,000 | 120,000 | | 0 | 120,000 | (1) | 0 |
| Highways income | 245,000 | 245,000 | | 0 | 245,000 | (1) | 0 |
| Total Carried Forward from 2022/23 | 643,637 | 643,637 | 0 | 0 | 643,637 | | 0 |
| GRAND TOTAL | 27,274,637 | 11,403,637 | 899,000 | 8,309,000 | 20,611,637 | | Cr 6,663,000 |

Notes:

(1) Various PDS reports across the Portfolios

| Description | 2023/24 Latest Approved Budget £'000 | Variation To 2023/24 Budget £'000 | Potential Impact in 2024/25 |
|--|--------------------------------------|-----------------------------------|---|
| Housing Allocations and Accommodation- Temporary Accommodation | 6,418 | 2,557 | The full year effect of Temporary Accommodation is currently estimated to be an overspend of £4,766k. 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. This does not include the impact of mitigation though the Housing Development and Acquisition Programme. |
| Supporting People | 1,070 | Cr 148 | The full year effect of Supporting People is currently estimated to be a credit of £148k. This is a result of the estimated savings from retendering of the contracts that has taken place. |
| Assessment and Care Management - Care Placements | 31,253 | 550 | The full year impact of the current overspend is estimated at £4,637k . Of this amount Cr £69k relates to residential and nursing home placements for 65+ and Dr £160k for the 18-64's. Domiciliary care & direct payments 65+ is £2,540k overspent and for 18-64 £889k. This is based on service user numbers as at the end of September 2023. There is also a £1,117k FYE of current level of Discharge to Assess costs. It assumed that management action of £1,306k continues into future years and that discharge funding also continues at current level. |
| Learning Disabilities - including Care Placements, Transport and Care Management | 42,273 | 0 | The full year effect (FYE) variation is estimated at a net overspend of £833k (Q1 £456k). This figure is greater than the in-year underspend as demand-related growth pressures, for example transition and increased client needs, have only a part year impact in 2023/24 but a greater financial impact in a full year. |
| Mental Health - Care Placements | 6,598 | 951 | A full year overspend of £529k is anticipated on Mental Health care packages , with residential , nursing and supported living placements £412k overspent and domiciliary care and direct payments £117k overspent. |
| Children's Social Care | 49,445 | 2,378 | The overall full year effect of the Children's Social Care overspend is a net £5,891k, analysed as Residential Care, Fostering and Adoption of £4,420k, Leaving Care costs of £590k, CWD costs of £969k, and referral and assessment of Cr £88k. |
| SEN Transport | 10,324 | 1,422 | The overall full year impact is £1,700k |

SECTION 106 RECEIPTS

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

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

| 31st March 2023 £000 | Service | Income £000 | Expenditure £000 | Transfers to/(from) Capital £000 | Actual as at 31st March 2024 £000 |
|-------------------------------------|------------------------------|------------------------|-----------------------------|---|--|
| <u>Revenue</u> | | | | | |
| 408 | Highway Improvement Works | | | | 408 |
| 1 | Landscaping | | | | 1 |
| 8 | Local Economy & Town Centres | | | | 8 |
| 82 | Parking | | | | 82 |
| 169 | Education | | | | 169 |
| 1,275 | Healthcare Services | 24 | 257 | | 1,042 |
| 0 | Community Facilities | | | | - |
| 89 | Housing | | | | 89 |
| 959 | Other | 46 | | | 1,005 |
| 2,991 | | 70 | 257 | - | 2,804 |
| <u>Capital</u> | | | | | |
| 4,734 | Education | | | | 4,734 |
| 20 | Highways | | | | 20 |
| 1,246 | Housing | | | | 1,246 |
| 612 | Local Economy & Town Centres | | | | 612 |
| 60 | Other | | | | 60 |
| 6,672 | | 0 | 0 | - | 6,672 |
| 9,663 | | 70 | 257 | 0 | 9,476 |