

PART 1 - PUBLIC

Decision Maker: Adult & Community Portfolio Holder

**For Pre-decision Scrutiny by the Adult & Community PDS
Committee**

Date: 2nd November 2010

Decision Type: Non-Urgent Executive Key

Title: **BUDGET MONITORING 2010/11 - ADULT & COMMUNITY
SERVICES**

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Chief Officer: Terry Rich, Director of Adult & Community Services

Ward: Borough Wide

1. Reason for report

This report provides the budget monitoring position for the Adult and Community Portfolio, based on expenditure and activity levels up to 31st August 2010.

2. **RECOMMENDATION(S)**

The Portfolio Holder is requested to note that a projected overspend of £598,000 is forecast on the controllable budget for the Adult and Community Portfolio as at 31st August.

Corporate Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: All Adult & Community Services Portfolio Budgets
 4. Total current budget for this head: £96.5M
 5. Source of funding: Existing revenue budgets
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Staff

1. Number of staff (current and additional): 799 fte's
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory requirement. The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000; and the Local Government Act 2002.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2010/11 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

3. CHIEF OFFICER'S COMMENTS

- 3.1 This report provides the budget monitoring position for the Adult and Community Portfolio based on spend and activity at the end of August 2010 and shows that overall there has been an increase in the projected overspend from £451k to £598k since the last report.
- 3.2 In Older People's services, the policy of reducing the numbers of service users being supported in residential and nursing home care continues to reduce expenditure pressures in these areas enabling additional funds to be allocated towards maintaining people for longer in their own homes. The new re-ablement service is now being offered as the default service offer for all new referrals and wherever practicable at times of service review. Successful completion of a re-ablement intervention results in a significant proportion of cases in a reduced requirement for ongoing care support and it is anticipated that this should have a positive impact on levels of spend on domiciliary care in the months to come.
- 3.3 This, combined with the increased use of independent sector providers and rigorous application of the eligibility criteria will be key to managing ongoing pressures in this area.
- 3.4 Significant cost pressures continue within Physical Disability services. However some progress has been made in identifying instances where costs can be reduced, through reviewing of existing packages and through ensuring that health related needs are appropriately funded by the NHS through Bromley PCT.
- 3.5 In the Learning Disabilities service costs are currently being contained within the allocated budget through a continuing programme of care reviews aimed at promoting independence and reducing reliance on residential care. In addition, the service is proactively working with young learning disabled people to plan for their transition into adult services. Although a small underspend is shown in this area, it is too early in the year to discount circumstances arising that could reverse this trend.
- 3.6 In-year cost pressures within Direct Services relate to the Home Care service where volume of service delivered reduces whilst overhead costs do not reduce at the same rate. It is anticipated that these costs will reduce during the course of the year and be offset by the savings arising from work that the in-house service can no longer deliver being delivered by independent sector providers.
- 3.7 In addition to the management action detailed above, the department has undertaken a review of all budget and expenditure to identify any areas where in-year savings can be made to reduce the projected overspend. A number of areas are being explored and it is anticipated that these should have a positive impact on the projected overspend by the time of the next budget monitoring report to the PDS.

4 POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan for 2010/11 includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley's Best Value Performance Plan "Making a Difference" refers to the Council's intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2010/11 to minimise the risk of compounding financial pressures in future years.

4.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council's budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

5.1 The 2010/11 projected outturn is shown in Appendix 1 and includes a forecast of projected expenditure for each division, compared to the latest approved budget, with an explanation of any variations. The projections are based on expenditure and activity levels up to August 2010 and show a projected overspend of £598,000 on the "controllable" budget. The final column in Appendix 1 (a) shows the full year impact of any overspends in this financial year which are expected to follow through into next year. Appendix 2 shows the make up of the latest approved budget for the Portfolio.

5.2 Costs attributable to individual services have been classified as "controllable" and "non-controllable" in Appendix 1. Budget holders have full responsibility for those budgets classified as "controllable" as any variations relate to those factors over which the budget holder has, in general, direct control. "Non-controllable" budgets are those which are managed outside of individual budget holder's service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include, for example, building maintenance costs and property rents which are managed by the Property Division but are allocated within individual departmental/portfolio budgets to reflect the full cost of the service. As such, any variations arising are shown as "non-controllable" within services but "controllable" within the Resources Portfolio. Other examples include cross departmental recharges and capital financing costs. This approach, which is reflected in financial monitoring reports to budget holders, should ensure clearer accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the "controllable" budget variations relating to portfolios in considering financial performance.

5.3 The main pressures arise in the Care Services division, where an overspend of £808,000 is currently forecast, which can be analysed as follows;

	£'000
Residential and nursing care for older people	-100
Domiciliary care for older people	492
Domiciliary and residential care for clients with physical disabilities	307
Total Assessment & Care Management	699
Aids-Hiv Grant	-45
Direct Services - Homecare & Meals Service	154
Total Care Services	808

5.4 There has been action to reduce spend in other areas of the department and projected underspends in other divisions total £210,000.

5.5 A further explanation of all variations can be found in appendix 1 (b).

Non-Applicable Sections:	Legal, Personnel, Customer Impact
Background Documents: (Access via Contact Officer)	2010/11 Budget Monitoring files within Adult & Community Services Finance Section