

PART 1 - PUBLIC

Decision Maker: Adult & Community Portfolio Holder

Date: For Pre-decision Scrutiny by the Adult & Community PDS Committee on 25th January 2011

Decision Type: Non-Urgent Executive Key

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

Contact Officer: Tracey Pearson, Interim Head of Finance,
Tel: 020 8461 7806 E-mail: tracey.pearson@bromley.gov.uk

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 30th November 2010.

RECOMMENDATION(S)

The Portfolio Holder is requested to note that a projected overspend of £192,000 is forecast on the controllable budget for the Adult and Community Portfolio as at 30th November.

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: £96.4M
 5. Source of funding: Existing revenue budgets
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Staff

1. Number of staff (current and additional): 798 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 At the end of November there was an overall improvement in the projected outturn, however pressures both in year and in relation to the full year effect rolling forward into next year remain, particularly in the area of physical disabilities where there are still substantial cost pressures from unavoidable demand in which is leading to significant risk in spend in future years.
- 3.2 The impact of reablement on the cost of ongoing care packages for older people and of robust reviewing of current high cost packages for clients with physical disabilities are delivering some savings. These will be tracked over the coming months and should begin to impact on both in year but more crucially on future year costs.
- 3.3 Through identifying in year savings across other divisions, the department has been successful in addressing the underlying budget position and through the approaches mentioned earlier, remains on course to achieve it's aim of minimizing any projected overspend in the current year and reducing the impact of current commitments in 2011/12.

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 November 2010 and show a projected overspend of £192,000 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 £836,000 is currently forecast, which can be analysed as follows;

	£'000
Residential and Nursing Care for Older People	-257
Domiciliary Care for Older People	610
Domiciliary and Residential care for Clients with Physical Disabilities	387
Total Assessment & Care Management	740
Aids-HIV Grant	-45
Learning Disabilities Day Services	-31
Direct Services - Homecare & Meals Service	172
Total Care Services	836

It is anticipated that the overspend on Assessment and Care Management will have a full year effect of around £500k in 2011/12, despite taking account of savings from reablement and through the continuation of management action to review high cost packages, maximize income from health and by maintaining tighter eligibility criteria.

5.4 There has been action to reduce spend in other areas of the department and projected underspends in other divisions total £644,000, which can be summarised as follows;

	£'000
Mental Health Services	-177
Procurement & Contract Compliance - Contract Savings	-150
Other	-55
Total Commissioning & Partnerships Division	-382
Housing Division - Residential Services	-100
Strategic Support Services - Vacancies and departmental running expenses	-162
Projected net underspend	-644

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