

**Decision Maker:** Executive

**Date:** 2<sup>nd</sup> February 2011

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** FINANCIAL MONITORING 2010/11

**Contact Officer:** Peter Turner, Deputy Director of Finance  
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**Chief Officer:** Director of Resources

**Ward:** Borough wide

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**1. Reason for report**

- 1.1 This report provides the sixth budget monitoring position for 2010/11 based on expenditure and activity levels up to November 2010. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.
- 1.2 In 2009/10 Final Accounts there was an increase on balances of £974k to reflect savings from specific unspent budget provision. Executive agreed carry forwards of £974k into 2010/11 - this creates an increase on balances in 2009/10 and a corresponding reduction in 2010/11.
- 1.3 There is an underlying net overspend of £664k on services (excluding recession costs), the additional costs arising from the recent heavy snowfalls of £635k offset by additional income from interest on balances of £170k and net savings costs on central items of £69k, resulting in a decrease in balances of £1,060k. After allowing for the carry forwards of £974k (see 1.2) there is an overall projected decrease in balances for 2010/11 of £2,034k.

**2. RECOMMENDATION(S)**

Executive are requested to:

- (a) Consider the latest financial position;
- (b) Consider the comments from Chief Officers (ACS, CYP) in section 3.5, 3.6 respectively, relating to action to address the current overspend;
- (c) Consider the comments from the Director of Environmental Services relating to the additional costs arising from the recent heavy snowfalls (see 3.7);
- (d) Identify any issues that should be referred to individual Portfolio Holders for further action;

- (e) Agree the request from the CYP Portfolio Holder, at his meeting on 24<sup>th</sup> January 2011, to:
- approve the release of £100k from the Central Contingency Sum for the costs arising from the impact of the “Southwark judgement” on homeless 16-17 year olds;
  - approve the release of funding totalling £20k for the “Workforce Strategy Partners Programme” (see 3.11.5).
- (f) Approve the release from the 2010/11 Central Contingency Sum a sum of £19.7k for the cost of petitions (see 3.11.6).

### 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. Impact in future years detailed in Appendix 6
  3. Budget head/performance centre: Council wide
  4. Total current budget for this head: £132m (excluding GLA precept)
  5. Source of funding: See Appendix 1 for overall funding of Council's budget
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### Staff

1. Number of staff (current and additional): Total employees – full time equivalent posts – 7,214 (per 2010/11 Budget), which includes 4,556 for delegated budgets to schools.
  2. If from existing staff resources, number of staff hours:
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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: Council wide

### **3. BUDGET MONITORING 2010/11**

- 3.1 Details of the 2009/10 final accounts were reported to the June meeting of the Executive which identified various underspends across services. The 2010/11 Budget included savings across Portfolios of £7.8m which partly reflected some of the underspends in 2009/10.

3.2 This report is based upon actual costs incurred to the end of November 2010 and an estimation of costs for the remainder of the year. A summary of the overall budget and the projected outturn for 2010/11 is shown below with further details provided in Appendix 1 and 2.

	2010/11 Original Budget	2010/11 Latest Approved Budget *	2010/11 Projected Outturn	Variation	Variation Previously Reported
	£'000	£'000	£'000	£'000	£'000 #
Service Spending (net overspend <u>excluding</u> recession related costs)	213,480	213,433	214,097	+ 664	+ 896
Additional costs arising from severe winter			+ 635	+ 635	-
Utilisation of "recession fund"					
- net reduction in income from parking			+ 400	+ 400	+ 400
- reduction in income from investment properties	- 4,504	- 4,504	- 3,904	+ 600	+ 600
Less use of monies set aside in 2010/11 Central Contingency Sum for recession related net costs (use £1,000k out of a total of £1,150k at this stage)			- 1,000	- 1,000	- 1,000
Loss of grant income arising from reduction in revenue grants announced by central Government			+ 1,670	+ 1,670	+ 1,670
Savings within Portfolio Budgets to meet loss of grant funding			- 1,670	- 1,670	- 1,670
Interest on balances (additional income)	- 2,923	- 2,923	- 3,093	- 170	- 180
Central Contingency Sum					
- Reduction in waste tonnage (saving)			- 756	- 756	- 756
- Cost of roll out of waste pilot (Exc Sept'10)			+ 380	+ 380	+ 380
- One off funding of ICT cost relating to outcome of retendering (Exec, 29 <sup>th</sup> Sept. '10)			+ 374	+ 374	+ 374
- Provision for pay award (NJC) no longer required	+ 605	+ 605		- 605	- 605
- Other Items	3,191	2,926	2, 859	- 67	- 58
Other Central items - Addition provision for severance costs not met from existing budgets (further £1m was met from existing budget for capital invest.)	3,905	3,905	4,510	605	605
Total (net overspend)	213,754	213,442	214,502	+ 1,060	+ 656

\* Members are requested to refer to Appendix 2 for a breakdown of the budget variations allocated during year.

# The above includes changes agreed at the December Executive meeting.

3.3 There is an underlying net overspend of £664k on services (excluding recession costs), the additional costs arising from the severe winter of £635k offset by additional income from interest on balances of £170k and net savings costs on central items of £69k, resulting in a decrease in balances of £1,060k and a further reduction in balances to reflect carry forwards (£974k), funded from unspent budget provision in 2009/10 (see Section 4) – any savings from the unspent budget provision in 2009/10 resulted in a corresponding increase in revenue balances in 2009/10. After allowing for the carry forwards of £974k (see 1.2) there is an overall projected decrease in balances for 2010/11 of £2,034k.

3.4 A summary of the variation in “controllable” budgets by Portfolio is shown below:

Portfolio Budgets	ACS	CYP	Env.	R&R	PPS	Resources	Total Portfolio Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Variation “controllable” budgets	192	542	481	-40	20	-131	1,064
Less costs and savings relating to recession fund *			- 400				- 400
Underlying variation after allowing for impact of recession	192	542	81	-40	20	-131	664

See Appendix 3 for comparison of variations with the latest approved budgets

\* Excludes investment properties which are identified separately in this report .

### 3.5 Chief Officer Comments – Director of Adult and Community Services

3.5.1 The overall improvement in the projected outturn continues, however pressures both in-year and in relation to the full year effect rolling forward into next year remain.

The impact of re-ablement on the cost of on-going care packages and of robust reviewing of current high cost packages 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.

There are still substantial cost pressures from unavoidable demand in the area of physical disabilities which is leading to significant risk in spend in future years.

The Department has sought to address the underlying budget position through identifying in-year savings and a further £108k has been identified since the last report to the Executive.

Through the approaches set out, the Department 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.

### 3.6 Chief Officer Comments – Director of Children and Young People

3.6.1 The pressures would have caused a higher level of overspending, but for management action to freeze vacancies and non-essential expenditure, divert grant funding, and use the freedoms from the removal of ring fencing from grants. I will take every opportunity to offset the overspending further, but it is unlikely it can be completely removed while continuing to meet statutory requirements. Since the last Report to Members there have been four serious Social Care cases resulting in high cost placements for children at risk. This increased the forecast overspending. I have instigated management action to reduce spending on placements and on staffing, and will provide regular updates to Members.

- 3.6.2 Academy Status is a further pressure. DfE has withdrawn £119k from DSG in the current year following the conversion of two schools to Academy status. There will be further in-year loss of DSG as other schools convert. The non-Schools' Budget funding is unaffected in-year.
- 3.6.3 In July, the Government reduced Area Based Grant in-year. Bromley's share was £1.67m, with £1.42m from CYP. The July and September meetings approved £1.42m of savings, and budgets have been reduced. In previous years, grants were used flexibly to address pressures. The reduction limits the scope to do this in future.
- 3.6.4 Nine primary and three Secondary schools had deficits at 31 March 2010. Deficit Recovery Plans have now been agreed with eight schools, and the Schools' Finance Team are working with the schools and senior officers to agree Deficit Recovery Plans for the others.

### **3.7 Severe Winter Weather – additional costs**

- 3.7.1 Additional costs of £635k have arisen for Highways due to the severe winter weather as the UK experienced the coldest December in 31 years, the South East suffered from two main snow events, with as much snow as 60cm falling in some parts of the Borough. There are potential further costs for waste collection of upto £100k which have not been included in the projections at this stage. There may be further costs depending on the remaining winter period.
- 3.7.2 Due to the high demand of salt during the latter part of the fiscal year, the average purchase price per tonne increased by £5.80. Over 4,560 tonnes were used during December costing £142k, an additional £26k compared to 2009/10. The salt barn at Shire Lane needed to be re-surfaced and improved in order to better preserve the salt and to provide more efficient and adequate storage facilities. Due to the high volume of snow, the weight caused significant damage to the Borough's trees and additional works to the value of £50k have been carried out. The current contractor is continuing to assess and remedy all emergency safety works to the trees and more costs may be incurred as the works are progressed throughout the Borough.
- 3.7.3 Members should note that in the last two years the Borough has had snow during January, February and March and therefore there is a high risk that further costs will be incurred during the next three months.

### **3.8 Analysis of Variations**

- 3.8.1 Appendix 3 contains a summary of service spending (performance centres) analysed over Portfolios. An analysis of variations over £100k with Chief Officers' comments is provided in Appendix 4. More detailed information is reported separately to individual PDS Committee meetings.

### **3.9 Potential Impact of the Recession**

- 3.9.1 The Council Tax report to the Executive in February 2010 included an ongoing provision for recession related costs of £1.25m. Although the national economy is no longer in a "recession", there remains the ongoing impact on the Council's finances including losses in income from car parking, planning, building control and investment properties (Glades). This situation should improve in the longer term. The latest position identifies net costs of £1m relating to the impact of the recession (see 3.2). Any savings from a reduction in waste tonnage which may be partly due to the recession are shown in 3.11.1. The overall financial projections in this report assume, at this early stage, that the sum of £1,150k in the central contingency will be utilised. A sum of £150k has been assumed in the financial projections for any further recession related costs not identified at this stage.

### **3.10 Interest on balances**

3.10.1 The 2010/11 budget for net interest earnings is £2.923m and, at this early stage, a surplus of £170k is forecast. This is mainly due to a reduction in interest payable to schools and other internal funds as a result of the latest base rate expectations (likely to remain at 0.5% for most, if not all, of 2010/11).

### **3.11 Central Contingency Sum**

3.11.1 Refuse disposal tonnages continue to drop which is due to a combination of factors including, for example, the impact of the recession and greater public awareness of the benefits of recycling. This will, also include the impact of any further reduction in disposal tonnage, compared with the savings assumed in the “Recycling and Composting for All: Phase 2 Business Case” report to a previous Executive meeting. There has also been a national reduction in waste going to landfill in the U.K. This report includes savings of £756k. It is not possible to identify which element of these savings relates solely to the impact of the recession. Any savings have been excluded from recession related costs at this stage. Further details are provided in Appendix 4C.

3.11.2 A report “Building Regulations Charging Scheme” to the 1<sup>st</sup> September meeting of Executive requesting the release of £138,320 from the contingency sum was approved by Members. This sum has been included in the projections detailed in this report.

3.11.3 The “Recycling and Composting for All: Phase 2 Business Case” report to the previous meeting of Executive identified the need for funding of roll out costs (net costs of £920k). At the meeting, Members approved funding of the remaining net costs of £920k. Funding of £380k was identified from the previously reported projected underspend on the central contingency sum with the balance of £540k from the LAA Reward fund.

3.11.4 Executive approved, on 29<sup>th</sup> September, the one off funding of transition costs totalling £374k relating to the award of the new ICT contract from underspends in the 2010/11 Central Contingency Sum.

3.11.5 At his meeting on 24<sup>th</sup> January, the CYP Portfolio Holder requested that Executive:

- (a) approve the release of £100k from the Central Contingency Sum for the costs arising from the impact of the “Southwark judgement” on homeless 16-17 year olds;
- (b) approve the release of funding totalling £20k for the “Workforce Strategy Partners Programme” (specific grant).

Further details are included in the “CYP Budget Monitoring Report 2010/11” submitted to the CYP Policy Development and Scrutiny Committee on 24<sup>th</sup> January 2011.

3.11.6 The 2010/11 Central Contingency Sum includes a sum of £19.7k for the cost of petitions. Funding was provided through Area Based Grant. The Director of Legal, Democratic and Customer Services requests the release of these monies to improve the technology (e-government) to support the new responsibilities relating to petitions.

3.11.7 At the December meeting of the Executive, Members approved the provision for a fund to meet severance costs of £1,605k which was funded from utilisation of the Budget for key one off initiatives (£1m) and the utilisation of underspends arising from the provision for NJC pay awards of 1% no longer being required (£605k).

3.11.8 The provision for uncertain items set aside in the 2010/11 Central Contingency Sum (£0.5m) has been fully utilised in this financial year to meet the cost of inflation pressures

### **3.12 Reduction in Government Grants**

- 3.12.1 The Government implemented reductions in Departmental funding of £6.2 billion nationally for 2010/11 and the recent Comprehensive Spending Review highlighted further reductions for future years. Executive, at its July meeting, were advised of a total loss of funding to Bromley of approximately £4.6m, arising from the announcements in June 2010. This sum includes loss of budgeted income of £1.7m for Area Based Grant. There was also a loss of unbudgeted income of £2.9m consisting of 50% reduction in LAA Reward grant of £2.3m (payable in 2010/11 and 2011/12), loss of Local Authority Business Growth Incentive Scheme (LABGI) monies of £0.5m and loss of Planning Delivery Grant (£0.1m). Of the reduced LAA Reward Grant of £2.2m, the Executive have to date forward funded schemes totalling £1,427k. Details of reductions in Government funding for Capital Schemes were reported in the 'Capital Programme Monitoring – 2<sup>nd</sup> quarter 2010/11' report to Executive.
- 3.12.2 The July report to Executive identified a loss of budgeted grant income of £1.67m which included various grants for Children and Young People (£1.417m), £0.166m for loss of supporting people admin. grant (Adult and Community Services) and £0.087m for Public Protection and Safety.
- 3.12.3 Final proposals for addressing the reduction in funding have been agreed by the respective Portfolio Holders.

### **3.13 Funding for Adult Social Care**

- 3.13.1 The Government has announced that additional monies will be available to local authorities through their PCT's for re-ablement and winter pressures for Social Care services. Further details are awaited.

## **4. CARRY FORWARD REQUESTS**

- 4.1 Carry forwards from 2009/10 to 2010/11 totalling £511k were within the delegated powers of the Director of Resources and were supported by Executive. This sum related to building maintenance. There were further carry forward requests at the June meeting of £463k which included a sum of £35k previously approved by Executive. Executive approved the remaining carry forwards totalling £428k supported by Portfolio Holders and this sum has been included in the financial projections in this report.

## **5. EARLY WARNINGS**

- 5.1 Early warnings are detailed in Appendix 4 of this report. This includes, for example, the action to address the overspend for CYP(Appendix 4B). Details of potential risks relating to future government grants were reported to the July meeting of the Executive.

## **6. EARMARKED RESERVES**

- 6.1 Details of earmarked reserves are reported with the annual Council Tax report each February and the annual Closing of Accounts report submitted to the Executive each June.

## 7. GENERAL FUND BALANCES

7.1 The unearmarked General Fund balance is currently projected to decrease by £2,034k to £49,821k at 31st March 2011. Further details are provided below.

### 7.2 General Fund Balances

	2010/11 Budget	2010/11 Projected Outturn
	£'000	£'000
General Fund Balance at 1 <sup>st</sup> April 2010	51,855	51,855
- Net projected variation for year	-	- 1,060
- Carry forwards from 2009/10 (funded from underspends in 2009/10)	-	- 974
<b>Net reduction in Balances</b>	-	- 2,034
<b>General Fund Balance at 31<sup>st</sup> March 2011</b>	<b>51,855</b>	<b>49,821</b>

## 8. THE SCHOOLS BUDGET

- 8.1 Expenditure on schools is funded by Dedicated Schools Grant (DSG) provided by the Department for Children, Schools and Families (DCSF). DSG is ring - fenced and can only be applied to meet expenditure properly included in the Schools' Budget. The final DSG settlement was confirmed at a total £802k higher than anticipated due to increased pupil numbers. Overspends and underspends must be carried forward to the following year's Schools' Budget and have no impact on the Council's General Fund. There is a projected net underspend on the Schools' Budget of £196k. Further details are provided below.

	<b>Latest Projection £'000</b>	<b>Previously reported £'000</b>
Underspending brought forward from previous years due mainly to a delayed contribution to capital programme of £2.1m towards improving 6th form provision.	- 3,165	- 3,165
This is the delayed contribution referred to above being transferred to the capital programme to fund the work.	2,830	2,830
<b>Sub Total 2009/10 deficit to be funded in 2010/11</b>	<b>- 335</b>	<b>- 335</b>
Forecast overspend on SEN placements costs, and on SLAs	1,965	2,029
Underspends from vacancies in Learning & Achievement Division	- 100	- 100
Expenditure Freeze in Pupil referral	- 50	- 170
Expenditure Freeze in Phoenix	- 80	
Overspending on Jury, Maternity and other cover reimbursed to schools	300	300
Final DSG was higher than anticipated in the budget	- 802	- 802
Reduction to DSG for Academy conversion	119	74
Contingency retained unspent	- 900	- 900
Other variations (net overspending)	79	36
<b>Sub Total - Total projected net Underspending 2010/11</b>	<b>531</b>	<b>467</b>
<b>Total projected underspending including 2009/10 deficit</b>	<b>196</b>	<b>132</b>

- 8.2 The central schools' budget contingency contains a provision to offset this forecast overspending. The contingency of £900k will be retained unspent so as to offset the overspending in SEN placements and in reimbursements to schools for maternity and other cover as set out above.
- 8.3 Details of the 2010/11 monitoring for the Schools Budget will be reported to the Children and Young People Portfolio Holder.

## **9. SECTION 106**

- 9.1 An update on balances as at 30 September 2010 were reported to the December meeting of the Executive. Further details on the arrangements for utilising Section 106 monies were reported to the Executive and Resources PDS on 25<sup>th</sup> August 2010.

## **10. FUTURE YEAR FORECASTS**

- 10.1 'The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues' was reported to the previous meeting of the Executive. It remains important to address any overspends in the current year, which in some cases have an ongoing impact on future years' budgets. Failure to address these overspends could result in further financial pressures facing the Council in future years. The impact in future years of significant underspends/overspends detailed in this report are considered further in Appendix 6.

## **11. POLICY IMPLICATIONS**

- 11.1 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.
- 11.2 "Building a Better Bromley" 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.
- 11.3 'The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues' was reported to the previous meeting of the Executive. This report highlighted 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.
- 11.4 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. There is a key outcome for the Council to become a performance led organisation.
- 11.5 Chief Officer's comments are included within Appendix 4.

## **12. FINANCIAL IMPLICATIONS**

- 12.1 These are set out in the body of the report with further information provided in the Appendices.

## **13. LEGAL IMPLICATIONS**

- 13.1 There are none arising directly from this report.

## **14. PERSONNEL IMPLICATIONS**

- 14.1 The Corporate Trade Union and Departmental Representatives' Forum receives regular updates on the Council's finances and the associated policy implications and challenges. Staff and their trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the budget options. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

## 15. OTHER FINANCIAL MONITORING REPORTS TO MEMBERS

15.1 Members should note that, in addition to the financial monitoring report, examples of other monitoring reports include:

- (a) Capital Programme Monitoring (Executive 2<sup>nd</sup> February 2011);
- (b) Treasury Management (Executive and Resources PDS on 27<sup>th</sup> October 2010);
- (c) Pension Fund (Investment Sub Committee on 8<sup>th</sup> September 2010);
- (d) Revenues Services, which includes income collection performance (Executive and Resources PDS on 1<sup>st</sup> December 2010);
- (e) 2009/10 Statement of Accounts (General Purpose and Licensing Committee on 30<sup>th</sup> June 2010);
- (f) The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues (Executive 12<sup>th</sup> January).

<b>Non-Applicable Sections:</b>	Legal, Personnel, Customer Impact
Background Documents: (Access via Contact Officer)	The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues (Executive 12 <sup>th</sup> January). Financial Monitoring 2010/11, Executive, December 2010 Dependency on External Grant Funding, Executive, July 2010 2010/11 Council Tax, Executive, February '10 Provisional Final Accounts 2009/10, Executive, June 2010 Resources Portfolio Plan 2010/11, Executive and Resources PDS Committee, April 2010 2010/11 Budget Monitoring file within Co-ordination and Control Finance Section

Portfolio	2010/11 Original Budget £'000	Budget Variations allocated in year # £'000	2010/11 Latest Approved Budget £'000	2010/11 Projected Outturn £'000	Variation £'000	Variation previously reported to Exec 08.12.10 £'000
Adult and Community Services	94,738	1,687	96,425	96,627	202	310
Public Protection & Safety	4,699	Cr 161	4,538	4,558	20	70
Children and Young People (incl. Schools' Budget)	40,259	Cr 880	39,379	39,914	535	646
Renewal and Recreation	16,280	180	16,460	16,413	Cr 47	Cr 7
Resources	19,292	63	19,355	19,183	Cr 172	Cr 168
<b>Sub Total</b>	175,268	889	176,157	176,695	538	851
Environment	38,212	Cr 936	37,276	37,802	526	445
Less recession costs				Cr 400	Cr 400	Cr 400
Total Environment Portfolio (excluding recession costs)	38,212	Cr 936	37,276	37,402	126	45
<b>Total Portfolios (see note 1)</b>	213,480	Cr 47	213,433	214,097	664	896
Additional costs arising from the severe winter				635	635	
<b>Central Items:</b>						
Investment & Non Operational Property Income (see note 2)	Cr 4,504		Cr 4,504	Cr 3,904	600	600
Less potential funding from "recession" fund in central contingency sum (see 3.8 of main report)	0		0	Cr 600	Cr 600	Cr 600
<b>Total Investment &amp; Non Operational Property Income</b>	Cr 4,504	0	Cr 4,504	Cr 4,504	0	0
<b>Interest on General Fund Balances (incl. school lease)</b>	Cr 2,923		Cr 2,923	Cr 3,093	Cr 170	Cr 180
<b>Contingency Provision (see Appendix 5)</b>	3,796	Cr 265	3,531	2,857	Cr 674	Cr 665
<b>Other central items</b>						
Reversal of Net Capital Charges (see note 3)	508		508	508	0	0
Additional funding to sustain capital investment	1,000		1,000	0	Cr 1,000	Cr 1,000
<u>Transfers to earmarked reserves</u>						0
Reserve for potential redundancy costs (Exec. 8th Dec'10)				1,605	1,605	1,605
Additional contribution to LPFA for residual liabilities	220		220	220	0	0
Levies	2,177		2,177	2,177	0	0
<b>Total other central items</b>	3,905	0	3,905	4,510	605	605
<b>Total All Central Items</b>	274	Cr 265	9	Cr 230	Cr 239	Cr 240
<b>Bromley's Requirement before balances</b>	213,754	Cr 312	213,442	214,502	1,060	656
Carry Forwards from 2009/10 (see note 4)	0	Cr 974	Cr 974	0	974	974
<b>Adjustment to Balances</b>	0		0	Cr 2,034	Cr 2,034	Cr 1,630
Formula Grant (Revenue Support Grant / Business Rates)	Cr 65,148		Cr 65,148	Cr 65,148	0	0
Area Based Grant	Cr 16,936	1,286	Cr 15,650	Cr 15,650	0	0
<b>Bromley's Requirement</b>	131,670	0	131,670	131,670	0	0
GLA Precept	41,153		41,153	41,153	0	0
<b>Council Tax Requirement</b>	172,823	0	172,823	172,823	0	0

# Budget Variations allocated to portfolios in year consists of:

(Further details may be found in Appendix 2)	£'000
1) Allocations from the central contingency provision (see Appendix 5)	265
2) Less reduction in Area Based Grant funding	Cr 1,286
3) Plus Carry forwards of unspent budget provision from 2009/10 (see note 4)	974
	Cr 47

#### 1) NOTES

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2010/11 Original Budget £'000	Budget Variations allocated in year # £'000	2010/11 Latest Approved Budget £'000	2010/11 Projected Outturn £'000	Variation £'000	Variation previously reported to Executive £'000
Adult and Community Services	94,738	1,687	96,425	96,627	202	310
Children and Young People	40,259	Cr 880	39,379	39,914	535	646
Environmental Services	42,911	Cr 1,097	41,814	41,960	146	115
Renewal and Recreation	19,998	293	20,291	20,314	23	80
Corporate Services	15,574	Cr 50	15,524	15,282	Cr 242	Cr 255
	213,480	Cr 47	213,433	214,097	664	896

#### 2) Investment & Non Operational Property Income: Dr. £600k

The latest information received from our management agent of the Glades Shopping Centre, CSC, suggests that there is to be a reduction in rent income of approximately £600k compared to the 2010/11 budget (£2.6m) as a result of the of the on-going economic downturn in the retail sector. The Agents, CSC, have said that they will be undertaking refurbishment of unit 200 which will cost approximately £900k. Bromley's share of this would be £135k. The pattern of spend for this scheme is unclear and is being looked into further. Information is provided by CSC quarterly and this projection will continue to be updated if the position changes.

#### 3) Reversal of Net Capital Charges

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

#### 4) Carry Forwards from 2009/10

Carry forwards from 2009/10 to 2010/11 totalling £546k were approved by Executive and within the delegated powers of the Director of Resources. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2009/10" report. Other carry forward requests from 2009/10 to 2010/11 totalling £428k were approved by Executive on 21st July 2010.

## LATEST APPROVED BUDGETS 2010/11

Budget Variations allocated to portfolios in 2010/11	Adult and Community Services £'000	Public Protection & Safety £'000	Children and Young People (incl. schools budget) £'000	Environment £'000	Renewal and Recreation £'000	Resources £'000	G. FUND TOTAL £'000
<b>2010/11 Original Budget</b>							
Total For Portfolios	94,738	4,699	40,259	38,212	16,280	19,292	213,480
<b>Budget Variations allocated during the year:</b>							
<b>Carry forwards from 2009/10:- (approved by Executive 16/06/10)</b>							
Repairs and Maintenance						511	511
Domestic Violence Advocacy Project (PPS)		35					35
Single Status (Resources)						49	49
International Financial Reporting Standards (IFRS) (Resources)						40	40
Housing and Planning Delivery Grant (R&R)					127		127
The People into Employment (PIE) project (R&R)					50		50
Events taking place in June 2010 (R&R)					50		50
Prevent Grant (PPS)		67					67
Smoke-Free Initiatives (PPS)		45					45
Housing Overcrowding Pathfinder Grant (ACS)							
- Expenditure	116						116
- Grant Income	Cr 116						Cr 116
Social Care Reform (ACS)							
- Expenditure	416						416
- Grant Income	Cr 416						Cr 416
Stroke Care Grant (ACS)							
- Expenditure	126						126
- Grant Income	Cr 126						Cr 126
LD Revenue Campus Closure Grant (ACS)							
- Expenditure	39						39
- Grant Income	Cr 39						Cr 39
Youth and Office Services - other (CYP)							
- Expenditure			28				28
- Grant Income			Cr 28				Cr 28
Standards & Achievement service (CYP)							
- Expenditure			110				110
- Grant Income			Cr 110				Cr 110
<b>Total Carry forwards</b>	0	147	0	0	227	600	974
<b>General Items in 2010/11 Contingency Sum</b>							
Child Protection Adviser and Consultant Practitioner posts for 2010/11			195				195
Review of Management & Overhead Costs	Cr 350	Cr 207	Cr 299	Cr 222	Cr 198	Cr 1,172	Cr 2,448
Contract price inflation over 2.3%				302		200	502
Learning Disabilities Service	660						660
Physical Disabilities Service	200						200
Learning Disabilities Campus Closure Programme:-							
- grant related expenditure	8,374						8,374
- grant income	Cr 8,374						Cr 8,374
Single Status	1,073	21	200	27	50	79	1,450
Street lighting - reduction in energy unit price				Cr 140			Cr 140
Street lighting - increase in energy unit price				140			140
Building Regulations Charging Scheme					138		138
Savings on Waste Disposal				Cr 756			Cr 756
Roll out of Waste Pilot				Cr 200			Cr 200
Post Room and Printing Review						Cr 147	Cr 147
Southwark Judgement increasing cost of social care support for young adults			100				100
<b>Total General Items</b>	1,583	Cr 186	196	Cr 849	Cr 10	Cr 1,040	Cr 306
<b>Grants included within Central Contingency Sum</b>							
<u>Agreed by Executive on 3rd March 2010:-</u>							
- Child Death Review Process			42				42
- Designated Teacher Funding			15				15
- Positive Activities for Young People			180				180
Family Intervention Programme & Parenting Project Grants							
- grant related expenditure			414				414
- additional specific grant			Cr 414				Cr 414
Targeted Mental Health in Schools							
- grant related expenditure			150				150
- additional specific grant			Cr 150				Cr 150
Integrated Working Grant							
- grant related expenditure			45				45
- additional specific grant			Cr 45				Cr 45
Youth Inspectors Funding							
- grant related expenditure			28				28
- grant related income			Cr 28				Cr 28

## LATEST APPROVED BUDGETS 2010/11

Budget Variations allocated to portfolios in 2010/11	Adult and Community Services £'000	Public Protection & Safety £'000	Children and Young People (incl. schools budget) £'000	Environment £'000	Renewal and Recreation £'000	Resources £'000	G. FUND TOTAL £'000
Surestart, Early Years & Childcare							
- grant related expenditure			3,102				3,102
- additional specific grant			Cr 3,102				Cr 3,102
Apprenticeships, Skills, Children and learning Act 2009			283				283
National Extension of the Disabled Children's Access to Childcare (DCATCH)							
- grant related expenditure			89				89
- additional specific grant			Cr 89				Cr 89
Foundation Learning at Key Stage 4							
- grant related expenditure			88				88
- additional specific grant			Cr 88				Cr 88
Mental Health Capacity Act	135						135
Young People Substance Misuse		107					107
Additional Carers Grant	77						77
Local Economic Assessment - to be considered by Executive this cycle					40		40
Use of WRAP monies							
- grant related expenditure				500			500
- additional revenue grant				Cr 500			Cr 500
Surestart Aiming High For Disabled Children							
- grant related income			Cr 25				Cr 25
- grant related expenditure			25				25
14-19 Prospectus							
- grant related income			Cr 11				Cr 11
- grant related expenditure			11				11
Fair Play Playbuilder							
- grant related income			Cr 18				Cr 18
- grant related expenditure			18				18
Familiarisation costs of new statutory guidance on social housing allocations	1						1
Climate Change					23		23
In year grant reductions	Cr 196		Cr 1,420				Cr 1,616
Repairing Winter Damage					197		197
- grant related expenditure				Cr 197			Cr 197
- Dept. of Transport grant							
Youth Offending Team - intensive supervision and surveillance							
- grant related income			Cr 81				Cr 81
- grant related expenditure			81				81
<u>Agreed by Executive on 8th December 2010:-</u>							
Homelessness Prevention							
- grant related expenditure	150						150
- additional specific grant	Cr 150						Cr 150
<b>Total Grants</b>	17	107	Cr 900	0	63	0	Cr 713
Variations in Recharges							0
<b>Variations in Recharges etc.</b>	0	0	0	0	0	0	0
<b>Total Budget Transfers etc.</b>	87	Cr 229	Cr 176	Cr 87	Cr 100	503	Cr 2
<b>Total Variations per Financial Monitoring Report</b>	1,687	Cr 161	Cr 880	Cr 936	180	63	Cr 47
<b>2010/11 Latest Approved Budget</b>	96,425	4,538	39,379	37,276	16,460	19,355	213,433

<b>Portfolio Summary</b>	2010/11 Original Budget	2010/11 Latest Budget	2010/11 Projected Outturn	2010/11 Projected Variation	Variation Previously Reported	Notes	Full Year Effect
	£'000	£'000	£'000	£'000	£'000		£'000
<b>Adult and Community Services</b> <b>(Please refer to Appendix 4A)</b>							
<b>Care Services</b>							
AIDS-HIV Grant	0	0	(45)	(45)	(45)		0
Assessment and Care Management	33,640	33,675	34,415	740	716	1a	496
Direct Services	3,305	4,177	4,349	172	161	1b	0
Learning Disabilities Care Management	1,603	2,072	2,072	0	0		0
Learning Disabilities Day Services	2,119	2,118	2,087	(31)	(31)		0
Learning Disabilities Housing & Support	1,244	1,396	1,396	0	0		0
<b>Total Care Services Division</b>	<b>41,911</b>	<b>43,438</b>	<b>44,274</b>	<b>836</b>	<b>801</b>		<b>496</b>
<b>Commissioning &amp; Partnership Division</b>							
Commissioning and Partnerships	2,606	2,730	2,739	9	9		
Drugs and Alcohol	236	338	313	(25)	(5)		
Learning Disabilities Services	14,734	14,984	14,945	(39)	(30)		600
Mental Health Services	4,839	4,840	4,663	(177)	(96)		(162)
Procurement & Contracts Compliance	5,850	5,623	5,473	(150)	(117)		
<b>Total Commissioning &amp; Partnership Division</b>	<b>28,265</b>	<b>28,515</b>	<b>28,133</b>	<b>(382)</b>	<b>(239)</b>		<b>438</b>
<b>Housing &amp; Residential Services Division</b>							
Enabling Activities	(17)	(17)	(17)	0	0		
Housing Benefits	(115)	(116)	(116)	0	0		
Housing Needs	909	1,251	1,251	0	0		
Housing Strategy & Development	338	92	92	0	0		
Residential Services	1,406	1,319	1,219	(100)	(100)		
<b>Total Housing &amp; Residential Services Division</b>	<b>2,521</b>	<b>2,529</b>	<b>2,429</b>	<b>(100)</b>	<b>(100)</b>		<b>0</b>
<b>Strategic Support Services Division</b>							
Concessionary Fares	8,597	8,597	8,582	(15)	(15)		
Customer Services	895	871	774	(97)	(97)		
Performance & Information	1,619	1,517	1,467	(50)	(50)		
Quality Assurance	199	198	198	0	0		
<b>Total Strategic Support Services Division</b>	<b>11,310</b>	<b>11,183</b>	<b>11,021</b>	<b>(162)</b>	<b>(162)</b>		<b>0</b>
<b>Total Controllable Budgets</b>	<b>84,007</b>	<b>85,665</b>	<b>85,857</b>	<b>192</b>	<b>300</b>		<b>934</b>
<b>Total Non Controllable Budgets</b>	<b>727</b>	<b>684</b>	<b>694</b>	<b>10</b>	<b>10</b>		
<b>Total Excluded Recharges</b>	<b>10,004</b>	<b>10,076</b>	<b>10,076</b>	<b>0</b>	<b>0</b>		
<b>Portfolio Total</b>	<b>94,738</b>	<b>96,425</b>	<b>96,627</b>	<b>202</b>	<b>310</b>		<b>934</b>
<b>Children &amp; Young People - Non Schools Budget only</b> <b>(Please refer to Appendix 4B)</b>							
Access	1,060	1,133	1,180	47	55		0
Bromley Children & Family Project	958	950	291	(659)	(400)	1	0
SEN & Inclusion	7,364	7,287	7,442	155	163	2	0
Schools Related Budgets Not Delegated	(59)	(59)	(59)	0	0		0
Integrated Youth Service	3,188	2,742	2,682	(60)	0		0
Standards & Achievement	1,502	463	-91	(554)	(454)	3	0
Safeguarding and Social Care:							
- Care and Resources	10,865	11,573	12,949	1,376	1,216		0
- Children in Care Education	648	648	537	(111)	(100)		0
- Safeguarding & Quality Assurance	2,854	1,973	1,990	17	110		0
- Safeguarding & Care Planning	2,890	2,749	2,928	179	40		0
- Referral and Assessment	1,691	2,496	2,802	306	170		0
- Youth Offending Team (YOT)	938	938	851	(87)	(63)		0
<b>Total Safeguarding and Social Care</b>	<b>19,886</b>	<b>20,377</b>	<b>22,057</b>	<b>1,680</b>	<b>1,373</b>	4	<b>0</b>
Information Systems - CYP	203	201	201	0	0		0
Partnerships and Planning	248	194	194	0	0		0
Research and Statistics	368	365	395	30	13		0
Workforce & Business Support	258	255	258	3	3		0
Moratorium (unallocated)			(100)	(100)	(100)		0
<b>Total Controllable Budgets</b>	<b>34,976</b>	<b>33,908</b>	<b>34,450</b>	<b>542</b>	<b>653</b>		<b>0</b>
<b>Total Non Controllable Budgets</b>	<b>(1,999)</b>	<b>(2,023)</b>	<b>(2,030)</b>	<b>(7)</b>	<b>(7)</b>		
<b>Total Excluded Recharges</b>	<b>7,066</b>	<b>7,035</b>	<b>7,035</b>	<b>0</b>	<b>0</b>		
<b>Portfolio Total</b>	<b>40,043</b>	<b>38,920</b>	<b>39,455</b>	<b>535</b>	<b>646</b>		<b>0</b>
<b>Children &amp; Young People - Schools Budget</b>	<b>216</b>	<b>459</b>	<b>459</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Environment (please see Appendix 4C)</b>							
Parking	(5,715)	(5,710)	(5,310)	400	400	1	620
Support Services	1,462	1,649	1,649	0	0		0
Emergency Planning	117	113	113	0	0		0
Area Management & Street Cleansing	5,736	5,847	5,847	0	0		0
Markets	(84)	(39)	(25)	14	14		60
Parks and Green Space	5,725	5,775	5,775	0	0		0
Street Regulation	862	544	544	0	0		0
Waste Services	16,504	15,752	15,767	15	(66)	2	(700)
Highways	8,956	9,067	9,119	52	52		0
Highways Planning	206	152	152	0	0		0
London Permit Scheme	(166)	(282)	(282)	0	0		0
Traffic & Road Safety	1,034	848	848	0	0		0
Transport Strategy	229	220	220	0	0		0
<b>Total Controllable Budgets</b>	<b>34,866</b>	<b>33,936</b>	<b>34,417</b>	<b>481</b>	<b>400</b>		<b>-20</b>
<b>Total Non Controllable Budgets</b>	<b>311</b>	<b>287</b>	<b>332</b>	<b>45</b>	<b>45</b>		
<b>Total Excluded Recharges</b>	<b>3,035</b>	<b>3,053</b>	<b>3,053</b>	<b>0</b>	<b>0</b>		
<b>Portfolio Total</b>	<b>38,212</b>	<b>37,276</b>	<b>37,802</b>	<b>526</b>	<b>445</b>		<b>(20)</b>
<b>Environment</b>							
<b>Severe winter - additional costs</b>				<b>635</b>	<b>0</b>		

## APPENDIX 3

**Portfolio Summary**

	2010/11 Original Budget	2010/11 Latest Budget	2010/11 Projected Outturn	2010/11 Projected Variation	Variation Previously Reported	Notes	Full Year Effect
	£'000	£'000	£'000	£'000	£'000		£'000
<b>Renewal &amp; Recreation (please see Appendix 4D)</b>							
Adult Education Centres	(336)	(367)	(367)	0	0		0
Building Control	(167)	(31)	(105)	(74)	(74)	1	0
Land Charges	(299)	(302)	(302)	0	0		0
Planning	1,273	1,297	1,375	78	98	2	0
Renewal	1,193	1,328	1,284	(44)	(24)		0
Culture	3,586	3,301	3,331	30	30		0
Libraries & Museums	5,278	5,271	5,241	(30)	(30)		0
Town Centre Management & Business Support	183	401	401	0	0		0
<b>Total Controllable Budgets</b>	10,711	10,898	10,858	(40)	0		0
<b>Total Non Controllable Budgets</b>	2,535	2,505	2,498	(7)	(7)		
<b>Total Excluded Recharges</b>	3,035	3,057	3,057	0	0		
<b>Portfolio Total</b>	16,281	16,460	16,413	(47)	(7)		0
<b>Public Protection &amp; Safety</b>							
Community Safety	627	712	662	(50)	0		0
Mortuary & Coroners Service	329	329	329	0	0		0
Public Protection	3,011	2,856	2,926	70	70		100
<b>Total Controllable Budgets</b>	3,967	3,897	3,917	20	70		100
<b>Total Non Controllable Budgets</b>	8	8	8	0	0		
<b>Total Excluded Recharges</b>	723	633	633	0	0		
<b>Portfolio Total</b>	4,698	4,538	4,558	20	70		100
<b>Resources (please see Appendix 4E)</b>							
Chief Executive's Department	3,513	3,299	3,248	(51)	(51)		0
Legal, Democratic & Customer Services Department	8,545	8,513	8,442	(71)	(67)		0
Resources Department:							
- Other Services (Finance & Audit, Procurement, and Information Systems)	17,675	17,764	17,752	(12)	(12)		0
R&R Dept. - Property Services	2,337	1,939	1,935	(4)	(4)		
- Past Deficit Contributions (incl. LTCERs)	9,668	9,668	9,543	(125)	(125)	1	0
Sub Total	29,680	29,371	29,230	(141)	(141)		0
<b>Other Rental Income</b>	(701)	(701)	(569)	132	132	2	0
<b>Repairs &amp; Maintenance (All LBB)</b>	4,366	4,877	4,877	0	0		0
Repairs and Maintenance inflation and savings adjustments				0	0		
<b>Total Controllable Budgets</b>	45,403	45,359	45,228	(131)	(127)		0
<b>Total Non Controllable Budgets</b>	958	1,063	1,080	17	0		
<b>Total Excluded Recharges</b>	(24,785)	(24,783)	(24,783)	0	0		
<b>Less Repairs &amp; Maintenance allocated across other Departments</b>	(2,903)	(2,903)	(2,903)	0	0		
<b>Less Rent Income allocated across other Departments</b>	619	619	561	(58)	(41)		
<b>Portfolio Total</b>	19,292	19,355	19,183	(172)	(168)		0
<b>Total Controllable Budgets for Portfolios</b>	214,146	214,122	215,186	1,064	1,296		1,014
<b>Total Non Controllable Budgets (capital &amp; insurance)</b>	256	240	240	0	0		
<b>Total Non General Fund Recharges</b>	(922)	(929)	(929)	0	0		
<b>Portfolios Total</b>	213,480	213,433	214,497	1,064	1,296		1,014
<b>Less Cost relating to recession</b>			(400)	(400)	(400)		
<b>Revised Totals</b>	213,480	213,433	214,097	664	896		1,014

**REASONS FOR VARIATIONS - ADULT AND COMMUNITY SERVICES****1 Assessment & Care Management : Dr £740k**

The variation can be analysed as follows:-

	November £'000	October £'000
(a) Domiciliary care & direct payments for older people	610	596
(b) Residential/Nursing care and respite for older people	(257)	(264)
(c) Domiciliary care & direct payments for clients with physical disabilities	263	246
(d) Residential care and respite for clients with physical disabilities	124	138
	<u>740</u>	<u>716</u>

(a) Expenditure on domiciliary care is increasing as more older people are maintained in their own homes rather than placed in residential care. The overspend is currently projected to be £710k, which includes the estimated impact of reablement as the number of new clients referred to the service increases. The service helps clients to do more for themselves, which results in lower individual package costs. Management action around increased use of independent sector providers, the rigorous application of eligibility criteria and regular reviews aimed at reducing long-term reliance on care services will also assist in reducing cost pressures by a further £100k meaning that the net overspend is expected to be £610k.

(b) A projected net underspend of £257k in the residential, nursing and respite care budgets partially offsets the overspend on domiciliary care. This is based on numbers in placements at the end of November.

Although there are actions to contain the overspend, the pressure on the older people's budget will continue into 2011/12 and a projected overspend of £646k is forecast, based on activity to the end of November. It is anticipated that successful reablement (-£400k) and tighter eligibility criteria (-£150k) will reduce this to £96k.

(c) Despite additional funding of £200k in the 2010/11 budget, the latest projections for clients with physical disabilities indicate that there will be a projected overspend of £320k in the cost of domiciliary care as a result of an ongoing increase in referrals.

Action is being taken to contain spend through a number of measures. A comprehensive review of all current care packages is being undertaken, including ensuring that contributions from health are received and utilising the benefits of the new re-ablement service with the aim of maximising independence and where appropriate, reducing on-going reliance on paid carers. This work is expected to reduce costs by £57k for the remainder of the year, leaving a net overspend of £263k.

(d) The budget for residential and respite care for people with physical disabilities is expected to be overspent by £124k, a reduction of £14k since last month, but offset by an increase in domiciliary care, as a result of a switch in one client package.

Although measures are being taken to contain expenditure, the full year effect on the budget for people with physical disabilities is expected to be £600k in 2011/12. It is anticipated that this will reduce by £100k to £500k as the management action put in place this year becomes established practice. However it should be noted that the forecast figures do not take account of additional costs as a result of increased client numbers.

**2 Direct Services : Dr £172k**

The In-House Homecare service is charged out on an hourly rate to Assessment & Care Management, based on the number of hours that it provides. Care management hold the budget to pay for the In-House service, so if the number of hours provided is below the budgeted level then fixed overheads are not fully recovered and an overspend will result in the service. The number of hours currently provided continues to be below the budgeted level and an overspend of £141k is projected.

The meals service is projected to overspend by £31k due to a fall in the number of meals being sold. The projection for the remainder of the year is based on current levels.

**3 Mental Health : C r £177k**

There is a reduction in expenditure of £96k forecast for the remainder of the year as a result of client movements to date which have resulted in more cost effective placements. In addition a saving of £81k has arisen from the extension/retendering of contracts for Advocacy, Day Services, Benefits Advice and the Mental Health Strategic Partnership.

**4 Procurement & Contract Compliance - Cr £150k**

The savings achieved as a result of in-year changes to some supporting people contracts have increased by £33k to £79k. In addition, a one-off saving of £71k has been achieved in year due to a reduction in the hours provided at one of the schemes.

**5 Residential Services - Cr £100k**

It is anticipated that the review of the allocation of the budget and tight application of eligibility criteria and what works will be covered for private sector renewals, will produce savings of £100k this year, which will help to alleviate some of the pressures on the departmental budget.

**Chief Officer's Comments**

The overall improvement in the projected outturn continues, however pressures both in-year and in relation to the full year effect rolling forward into next year remain.

The impact of re-ablement on the cost of on-going care packages and of robust reviewing of current high cost packages 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.

There are still substantial cost pressures from unavoidable demand in the area of physical disabilities which is leading to significant risk in spend in future years.

The Department has sought to address the underlying budget position through identifying in-year savings and a further £33k has been identified since last month.

Through the approaches set out, the Department remains on course to achieve its aim of minimizing any projected overspend in the current year and reducing the impact of current commitments in 2011/12.

**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 the monthly financial monitoring report to the Portfolio Holder.

## REASONS FOR VARIATIONS IN NON SCHOOLS' AND CHILDREN'S SOCIAL CARE

### 1 Bromley Children and Family Project - £659k underspending

The new Government unringfenced the Think Family grant and this will be underspent by charging staffing costs to Standards Fund grant and Surestart grant instead. £400k underspending.

Savings in Surestart grant supported services have released £260k which we will apply to Community Vision Nursery. £259k underspending.

### 2 SEN & Inclusion - £155k overspending

#### 1) SEN Transport - £100k overspending

Pupil volumes have risen and so have cases needing individual transport.

- a. Following a complaint to the Director, the increased pupils at Trinity School in Rochester needed two vehicles, at greater expense. They could all be taken in a single larger vehicle, but this would add 30 minutes to the journey.
- b. Several new out- and in-borough placements have high transport costs.
- c. Challenging behaviour requires more costly supervision and/or individual transport for some pupils

#### 2) SEN Management and Consultancy on SEN Tribunals - £54k overspend

- a. Earlier Reports noted overspending of £70k due to savings from reorganisation not yet achieved. This overspending will now be met by diverting Area Based Grant (ABG) given for post-16 commissioning. Nil variance
- b. Tribunals continue at a high level, requiring consultants and compensation payments to parents where there is award against the Council. There is no budget, and an upward trend in costs. £54,000 overspending

### 3 Standards & Achievement - £554k underspending

- a. A vacancy freeze, pending review of the structure, yields £300k underspending. However, this is earmarked as part of the DfE £1.4m in-year Area Based Grant reduction, so cannot be double counted here. Nil variance
- b. Management will use standards fund to meet further staffing costs and so achieve savings to offset overspends elsewhere in CYP. £500k underspending
- c. CRB checks across CYP have exceeded the budget in the past two years, and it is likely to happen again, although expenditure is not known until the year end. £40k overspending
- d. Alternative funding has been found for the budget for supporting schools in difficulty. £100k underspending

### 4 Care and Resources - £1,376k overspending

#### The Children's Placement budget £1,595,000 overspending

- 1) There were 280 Looked After Children (LAC) at the end of September, up from 247 in March 2009. There have been several high cost residential placements, some from decisions at the Complex Case Panel, and some for children not previously known to Social Care. Management is reviewing them.
- 2) Since the last Report, four new high cost placements have had to be made. Even more rigorous management action will now be taken to drive down other costs with Children's Social Care where this at all possible. £225k saving.
- 3) There is a £77k shortfall in the income target for the charging policy.
- 4) The overspending will reduce by £90k if the recommendation in this Report is agreed to seek release of the £100k set aside within contingency for costs from the Southwark judgement. £10k will be allocated to the Housing service to cover the cost of Nightstop, which provides shelter to those who would otherwise be clients of the Leaving Care service at greater cost. The variance has not been reduced by the £90k at this stage.

**5 Children in Care Education - £111k underspending**

This grant supports the Council's corporate parenting responsibilities. Due to recruitment problems, the full allocation will not be spent.

**6 Moratorium on spending and filling vacancies, and further management action £100,000 saving across Children and Young People Department.**

In addition to the actions highlighted under individual sections above, CYP Senior Management Team have frozen all discretionary expenditure and posts to yield further savings.

**EARLY WARNINGS****1) VOLATILE NUMBERS - DRIVEN SERVICES**

CYP Department has several large demand-led budgets where spending varies with the number of children. Of these, SEN Placements, Payments to Private Nurseries and Pupil Referral are in the DSG funded Schools' Budget, and Social Care Placements, SEN transport, and YOT are in the Council Tax funded budget. The Department monitors these budgets closely.

Social Care Placements (non-Schools' Budget) are increasing, driven by LAC volumes and complexity of need. Leaving Care costs are increasing due to obligations to homeless 16 and 17 year olds clarified by the Southwark judgement. If trends continue, the overspending reflected in this Report will be exceeded.

In the Schools' Budget, Payments to Independent Nurseries vary with pupil numbers each term, and the upward trend in costs during the year may continue once Spring Term enrolments are known.

**2) PROVISION FOR REDUNDANCY**

Members agreed £0.5m from the 2008/09 CYP budget for a redundancy provision. The reductions in public sector funding are likely to increase redundancy costs for CYP beyond this.

**3) TRANSFER OF SCHOOLS TO ACADEMY STATUS**

Schools converting receive that school's own budget, a share of the non-Schools' Budget and of the Schools' Budgets retained at LA level (and also parts of corporate budgets such as Finance, Legal, Property and HR). The potential longer-term impact has previously been reported to Members, but it seems for this financial year only the Schools' Budget will reduce. £119k has already been deducted from DSG for the first two schools to convert to Academy status. We do not know when other schools will convert, but the deduction of a further £50k in DSG during 2010/11 would not be unexpected.

**4) HOUSING BENEFIT FOR CARE LEAVERS**

CYP is responsible for paying the housing costs of care leavers. Most but not all of this is recoverable as Housing Benefit. Projecting the current shortfall (rental liability less HB) the sum to be written-off at the end of this financial year would be £265k. This is a very rough estimate given that the number of occupants and weeks of occupation may vary, as might individual personal circumstances. This would represent £65k in excess of the £200k provision already made. Any such sum that remains at the end of the financial year will increase the overspending in the non-Schools' Budget.

**5) MANAGEMENT ACTION IN THIS REPORT**

Containing the controllable CYP overspending to the £642k on the non-Schools' Budget was achieved by:

- a) Attributing £1,330,000 of previously core funded expenditure to grant funding instead. It is not yet confirmed that all of this will be possible within the grants terms of reference.
- b) Reducing placements costs to save £250k is thought to be possible but full achievement will have to be while still meeting statutory requirements.
- c) The general spending moratorium and freezing of vacancies will contribute to the general £100k of savings built into this report.

Containing the Schools' Budget overspending to the £196k includes transferring £100k of SEN Alternative Provision to the Pupil Referral Service. This in turn depends on PRS being able to absorb this without overspending in addition to the £100k of previous out of borough placements they are already committed to absorbing.

**Chief Officer's Comments**

The pressures would have caused a higher level of overspending, but for management action to freeze vacancies and non-essential expenditure, divert grant funding, and use the freedoms from the removal of ring fencing from grants. I will take every opportunity to offset the overspending further, but it is unlikely it can be completely removed while continuing to meet statutory requirements. Since the last Report to Members there have been four serious Social Care cases resulting in high cost placements for children at risk. This increased the forecast overspending. I have instigated management action to reduce spending on placements and on staffing, and will provide regular updates to Members.

Academy Status is a further pressure. DfE has withdrawn £119k from DSG in the current year following the conversion of two schools to Academy status. There will be further in-year loss of DSG as other schools convert. The non-Schools' Budget funding is unaffected in-year.

In July, the Government reduced Area Based Grant in □ year. Bromley's share was £1.67m, with £1.42m from CYP. The July and September meetings approved £1.42m of savings, and budgets have been reduced. In previous years, grants were used flexibly to address pressures. The reduction limits the scope to do this in future.

Nine primary and three Secondary schools had deficits at 31 March 2010. Deficit Recovery Plans have now been agreed with eight schools, and the Schools' Finance Team are working with the schools and senior officers to agree Deficit Recovery Plans for the others.

**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 the monthly financial monitoring report to the Portfolio Holder.

**REASONS FOR VARIATIONS - ENVIRONMENT****1 Off Street Parking : Dr £510k**

Off street car parking is expected to be at least £510k below budget due to the continuing effects of the economic climate. From April to November there was a shortfall of £300k for the Hill, Westmoreland and Civic Centre car parks compared to budget, but in line with the actual received for the same period last year. If usage continues at this level, it is projected that the full year shortfall for these car parks will be £460k. Income from the other surface car parks is also below budget and a shortfall of £50k is projected for the year. Notable items include car parks within West Wickham £15k and Orpington College £5k.

Although parking income has improved during the last couple of months, the adverse weather conditions have meant that parking income fell during December and therefore income projections remain at Dr £510k.

**2 Parking Enforcement : Cr £110k**

A surplus in income of £110k is being projected. There continues to be a small increase in tickets issued from the mobile and static CCTV cameras due to more effective utilisation of resources £56k partly offset by a less income (Dr £28k) being received for tickets issued last year. The performance of the parking contractor has improved significantly during the first part of the year and has led to a surplus of £122k being projected again partly offset by £40k less income being received for tickets issued last year

**Summary of variations within Parking**

<b>Reasons</b>	<b>£'000</b>
Deficit in income from off street parking	510
Surplus income within parking enforcement - PCN numbers	(110)
<b>Total reported variation</b>	<b>400</b>

**3 Highways : Dr 52k**

Agreement has now been reached with Thames Water about the level of sample inspection billing for last year and as a result the bad debt provision raised for 2009/10 is not sufficient to cover the full loss of income, leaving a shortfall of income for 2009/10 of £52k once invoices are revised.

Similarly, following the agreement £32k of invoices raised in quarter 1 of 2010-11 will be cancelled as the improvement notices are no longer chargeable.

It is anticipated that there will be reduced expenditure within carriageway repairs of £32k to partly off-set the income deficit.

**Impact of recent heavy snowfalls**

Estimated costs above budget relating to winter maintenance due to the recent snow during December are £635k. This includes emergency tree maintenance of £50k. The table below gives a breakdown of winter maintenance budgets and the projected variances: -

<b>Winter Maintenance</b>	<b>Budget</b>	<b>Projected Spend</b>	<b>Projected Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gritting and Snow Clearance	207	538	331
Met Office Costs	32	23	(9)
Salt Usage	32	142	110
Vehicle/plant maintenance & repairs	99	142	43
Salt Barn emergency repairs	0	110	110
<b>Total Winter Maintenance costs</b>	<b>370</b>	<b>955</b>	<b>585</b>
Additional emergency tree works		50	50
<b>Total additional highways costs due to the snow</b>	<b>370</b>	<b>1,005</b>	<b>635</b>

The reason for the large overspend is that the UK experienced the coldest December in 31 years, the South East suffered from two main snow events, with as much snow as 60cm falling in some parts of the Borough.

Due to the high demand of salt during the latter part of the fiscal year, the average purchase price per tonne increased by £5.80. 4,560 tonnes were used during December costing £142k, an additional £26k compared to 2009/10.

The salt barn at Shire Lane needed to be re-surfaced and improved in order to better preserve the salt and to provide more efficient and adequate storage facilities.

Due to the high volume of snow, the weight caused significant damage to the Borough's trees and additional works to the value of £50k have been carried out. The current contractor is continuing to assess and remedy all emergency safety works to the trees

Members should note that in the last two years the Borough has had snow during January, February and March and therefore there is a high risk that further costs will be incurred during the next three months.

**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 the monthly financial monitoring report to the Portfolio Holder.

**REASONS FOR VARIATIONS - RENEWAL & RECREATION****1 Building Control : Cr £74k**

A report was recently submitted to the Executive to drawdown £138k from the central contingency following changes to legislation.

A shortfall of income of £200k is being offset by savings of £200k from management action to reduce costs, including holding 4.45 fte's vacant.

Part of the provision set aside for the costs of the dangerous structures relating to the plane crash site are no longer required as the insurance company has now settled the revised invoice. The balance of £74k has been written back to the building control code and is being used to offset the shortfall of income within planning.

**2 Planning : Dr £78k**

Income from planning is £172k below budget for the first eight months of the year and £104k below the actual received for April to November 2009. At this stage, it is projected that the year-end shortfall of income will be £348k.

Based on income from major applications to date, £134k less has been received compared to the actual from April to November 2009. Within non-major applications to date, £30k extra has been received compared to the actual received for the same period in 2009.

Management action taken includes holding 3.04 fte posts vacant and reducing spend on running expenses totalling Cr £270k.

**Summary of variations within Planning**

Effect of holding 3.04 FTE's vacant within Planning	£'000 (145)
Underspend within transport, supplies & services resulting from management action within Planning	(125)
Shortfall of income from planning fees	348
<b>Total variation</b>	<b><u>78</u></b>

**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 the monthly financial monitoring report to the Portfolio Holder.

**REASONS FOR VARIATIONS - RESOURCES****1 Property - Rental Income : Dr. £732k****- Rent Share (The Glades Shopping Centre Dr £600k)**

The latest information received from our management agent of the Glades Shopping Centre, CSC, suggests that there is to be a reduction in rent income of approximately £600k compared to the 2010/11 budget (£2.6M) as a result of the of the on-going economic downturn in the retail sector. A submission will be made to the Star Chamber, for a call on the recession fund set aside in Central Contingency cover this.

The Agents, CSC, have said that they will be undertaking refurbishment of unit 200 which will cost approximately £900k Bromley's share of this would be £135k. The pattern of spend for this scheme is unclear and is being looked into further.

Information is provided by CSC quarterly and this projection will continue to be updated if the position changes.

**- Other Rental Income and associated budgets: Dr £132k**

Losses of income totalling £132k are anticipated on a number of other Investment & Non-Operational Properties .This mainly relates to the current economic climate. Managers are doing all they can to fill voids. A submission may be made to the Star Chamber for these losses.

**2 Management and Other : Cr. £125k****Long Term Costs of Early Retirement Cr £65k**

Savings of £65k on LTCER are currently forecast for 2010/11. The long-term cost of in-year early retirements has been lower than originally estimated in recent years, which has resulted in a lower estimate in 2008/09, 2009/10 and 2010/11. In addition, most early retirements in 2006/07 were fully "self-funded" by the relevant departments in that year, meaning there will be no ongoing long-term costs. Contributions for 2011/12 and later will depend on actual retirements in 2009/10 and later.

There was an underspend of £60k on Compensation for Loss of Office in 2009/10. It has been assumed for now that these savings are ongoing, however this could be offset by any future benefits granted.

**General Commentary including impact on future years**

Assistant Directors and budget holders are working to ensure that they manage their services within existing budgets .

**Early Warnings for 2010/11 :****1 Legal Costs - Child Care Proceedings**

Significant increase (72%) in care proceedings are being processed by Legal Services. If this trend continues the service will need to recruit another lawyer at a cost of £60k or send work out at a significantly higher cost to the Council.

**2 VAT claims (cross departmental)**

The Council was successful in recovering from HM Revenue and Customs 6 separate historic VAT claims for different periods from April 1973 to May 1996. These claims related to disputed VAT liabilities on sporting services, sporting tuition, excess parking charges, special domestic waste collections, cultural services and libraries/audio visual charges . There are further claims being pursued which includes claims for compound interest, off street parking and a claim for the period December 1996 to December 2000 in relation to libraries / audio visual charges, special collections of domestic waste and excess charges for off-street parking. It is not certain, at this stage, whether the claims will be successful.

**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 the monthly financial monitoring report to the Portfolio Holder.

## Allocation of Contingency Provision for 2010/11

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	
	£	£	£	£	£	£
<b>General</b>						
Provision to reflect net additional costs arising from the recession	1,250,000			1,150,000	1,150,000	Cr 100,000
Single Status	1,450,000	1,450,000		0	1,450,000	0
Provision for uncertain items (see note 1)	500,000	502,000		0	502,000	2,000
Provision for NJC 1% pay award	605,000				0	Cr 605,000
Release of NNDR credits	Cr 100,000			Cr 100,000	Cr 100,000	0
Council tax credits	Cr 130,000			Cr 130,000	Cr 130,000	0
Further increases in fuel costs	400,000			400,000	400,000	0
Street lighting - reduction in energy unit price	0	Cr 140,000		0	Cr 140,000	Cr 140,000
Street lighting - reduction in energy unit price	0	140,000		0	140,000	140,000
Review of Management and Overhead Costs	Cr 2,448,000	Cr 2,448,000		0	Cr 2,448,000	0
Post Room and Printing Review	Cr 147,000	Cr 147,000		0	Cr 147,000	0
One off funding towards cost of roll out of waste pilot (Executive 1st Sept '10)				380,000	380,000	380,000
Other Changes	137,000			137,000	137,000	0
<b>Total General</b>	<b>1,517,000</b>	<b>Cr 643,000</b>	<b>0</b>	<b>1,837,000</b>	<b>1,194,000</b>	<b>Cr 323,000</b>
<b>Grants included within Central Contingency Sum :-</b>						
Children and Young People						
- Child Death Review Process	42,000	42,000		0	42,000	0
- Designated Teacher Funding	14,000	15,000		0	15,000	1,000
- Positive Activities for Young People	180,000	180,000		0	180,000	0
Family Intervention Programme & Parenting Project Grants						
- grant related expenditure	414,000	414,000		0	414,000	0
- additional specific grant	Cr 414,000	Cr 414,000		0	Cr 414,000	0
Targeted Mental Health in Schools						
- grant related expenditure	150,000	150,000		0	150,000	0
- additional specific grant	Cr 150,000	Cr 150,000		0	Cr 150,000	0
Integrated Working Grant						
- grant related expenditure	45,000	45,000		0	45,000	0
- additional specific grant	Cr 45,000	Cr 45,000		0	Cr 45,000	0
Youth Inspectors Funding						
- grant related expenditure	28,000	28,000		0	28,000	0
- grant related income	Cr 28,000	Cr 28,000		0	Cr 28,000	0
Surestart, Early Years & Childcare						
- grant related expenditure	3,102,000	3,102,000		0	3,102,000	0
- additional specific grant	Cr 3,102,000	Cr 3,102,000		0	Cr 3,102,000	0
National Extension of the Disabled Children's Access to Childcare (DCATCH)						
- grant related expenditure	89,000	89,000		0	89,000	0
- additional specific grant	Cr 89,000	Cr 89,000		0	Cr 89,000	0
Foundation Learning at Key Stage 4						
- grant related expenditure	88,000	88,000		0	88,000	0
- additional specific grant	Cr 88,000	Cr 88,000		0	Cr 88,000	0
Social Work Improvement Fund (SWIF)						
- grant related expenditure				130,000	130,000	130,000
- additional specific grant				Cr 130,000	Cr 130,000	Cr 130,000
Newly Qualified Social Workers (NQSW)						
- grant related expenditure				39,000	39,000	39,000
- additional specific grant				Cr 39,000	Cr 39,000	Cr 39,000
- Think Family						
- grant related expenditure				22,000	22,000	22,000
- additional specific grant				Cr 22,000	Cr 22,000	Cr 22,000
Young Parents to Be						
- grant related expenditure				28,000	28,000	28,000
- additional specific grant				Cr 28,000	Cr 28,000	Cr 28,000
Workforce Strategy Partners Programms						
- grant related expenditure			20,000	0	20,000	20,000
- additional specific grant			Cr 20,000	0	Cr 20,000	Cr 20,000
Adult and Community Services						
- Mental Health Capacity Act	135,000	135,000		0	135,000	0
- Young People Substance Abuse (PPS)	107,000	98,000		0	98,000	Cr 9,000
Preventing Violent Extremism (PPS)						
- Grant related expenditure	195,000			195,000	195,000	0
- Reduction in ABG department reduced spend		Cr 56,810		0	Cr 56,810	Cr 56,810
- Additional Carers Grant	77,000	77,000		0	77,000	0
Homelessness Prevention						
- grant related expenditure		150,000		0	150,000	150,000
- additional specific grant		Cr 150,000		0	Cr 150,000	Cr 150,000
Renewal and Recreation						
- Economic Assessment Duty	65,000	40,000		25,000	65,000	0
- Climate Change	23,000	22,500		0	22,500	Cr 500
Corporate Services						
- Public Law Family Fees increase	34,000			34,000	34,000	0
- Community Call for Action	2,000			1,850	1,850	Cr 150
<b>Total Grants</b>	<b>874,000</b>	<b>552,690</b>	<b>0</b>	<b>255,850</b>	<b>808,540</b>	<b>Cr 65,460</b>

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	
	£	£	£	£	£	£
<b>Increase in Area Based Grant funding:</b>						
- January Guarantee (DCSF)	0			26,610	26,610	26,610
- LSC Staff Transfer Special Purpose Grant (DCSF)	0	283,000			283,000	283,000
- Reduction in ABG department reduced spend	0				0	0
<b>Additional ABG Funding (26th Oct'10)</b>						
- Local Authority Tenants' Satisfaction with Landlord Services		1,380			1,380	1,380
- School Improvement Partners				4,400	4,400	4,400
- Local Child Poverty Duties				48,200	48,200	48,200
- Petitions (see note 2)			19,730		19,730	19,730
<b>New Specific Grants</b>						
- Surestart Aiming High For Disabled Children						
- grant related income	0	Cr 25,000			Cr 25,000	Cr 25,000
- grant related expenditure	0	25,000			25,000	25,000
- 14-19 Prospectus						
- grant related income	0	Cr 11,000			Cr 11,000	Cr 11,000
- grant related expenditure	0	11,000			11,000	11,000
- Fair Play Playbuilder						
- grant related income	0	Cr 18,000			Cr 18,000	Cr 18,000
- grant related expenditure	0	18,000			18,000	18,000
<b>Use of WRAP monies</b>						
- grant related expenditure	0	500,000			500,000	500,000
- additional revenue grant	0	Cr 500,000			Cr 500,000	Cr 500,000
<b>Repairing Winter Damage</b>						
- grant related expenditure	0	197,000			197,000	197,000
- Dept. of Transport grant	0	Cr 197,000			Cr 197,000	Cr 197,000
<b>Youth Offending Team - intensive supervision and surveillance</b>						
- grant related income	0	Cr 81,000			Cr 81,000	Cr 81,000
- grant related expenditure	0	81,000			81,000	81,000
<b>Adult and Community Services</b>						
Learning Disabilities Service	660,000	660,000		0	660,000	0
Learning Disabilities Campus Closure Programme - grant related expenditure	6,800,000	8,374,000			8,374,000	1,574,000
Learning Disabilities Campus Closure Programme - grant income	Cr 6,800,000	Cr 8,374,000			Cr 8,374,000	Cr 1,574,000
Physical Disabilities Service	200,000	200,000		0	200,000	0
Personal Care at Home (Based on national calculations)	700,000			0	0	Cr 700,000
Personal Care at Home alternative savings to be identified	Cr 700,000			0	0	700,000
<b>Environmental Services</b>						
Roll out of Waste Pilot	Cr 200,000	Cr 200,000		0	Cr 200,000	0
Recycling and composting for all roll out costs - revenue contribution to Savings on Waste Disposal (mainly reduction in waste tonnage)	0	Cr 756,000		0	Cr 756,000	Cr 756,000
<b>Renewal &amp; Recreation</b>						
Planning Appeals - change in legislation	150,000			150,000	150,000	0
Potential loss of income re: land charges and building control (changes in regulations)	300,000	138,320		161,680	300,000	0
<b>Resources</b>						
One off funding of transitional costs for new ICT contract	0	0		374,000	374,000	374,000
<b>Children and Young People</b>						
Increase in social workers to reflect increase in case load	195,000	195,000		0	195,000	0
Southwark Judgement increasing cost of social care support for young adults	100,000		100,000	0	100,000	0
<b>Total Grants</b>	3,796,000	431,390	119,730	2,857,740	3,408,860	Cr 387,140
Increase in Area Based Grant funding	0	Cr 310,850			Cr 310,850	Cr 310,850
Further increase in Area Based Grant funding	0	Cr 72,330			Cr 72,330	Cr 72,330
Reduction in ABG Funding relating to items in central contingency sum	0	40,000			40,000	40,000
Reduction in ABG Funding relating to items in central contingency sum	0	56,810			56,810	56,810
<b>GRAND TOTAL</b>	3,796,000	145,020	119,730	2,857,740	3,122,490	Cr 673,510

**Note 1 - Provision for uncertain items**

Contract price inflation in excess of the 2.3% allowed for in the budget has been allocated to the following contracts:

	£'000
Waste Disposal	177
Street Cleansing	65
Exchequer Services	135
Information Systems	65
Waste Collection	40
Parking	20
	<u>502</u>

**Note 2 - Area Based Grant - Petitions**

Members are requested to agree to drawdown £19,729k to enable moderngov work to be done upfront over the next year whilst staff resource are identified, this approach is supported by Paul Dale.

Description	2010/11 Latest Approved Budget £'000	Variation To 2010/11 Budget £'000	Potential Impact in 2011/12
Residential and Domiciliary care - Older people	23,361	353	The full year of the net overspend in domiciliary and residential care is forecast to be £646k. However as the reablement service grows it is anticipated that lower planned hours for new clients will contribute around £400k towards partially offsetting these costs, which along with reduced costs from tighter eligibility criteria of £150k will reduce the full year overspend to £96k.
Domiciliary & Residential Care - Physical Disabilities	3,408	387	Pressure is continuing for PD services and the full year effect of the current overspend is anticipated to be £600k based on the current number of clients. Management action is in place to review packages, increase referrals to the re-ablement team and maximize income contributions from health and this is expected to produce savings of £100k and reduce the net overspend to £500k. It should be noted that this does not include additional costs as a result of increased client numbers.
Residential & Domiciliary Care - Learning Disabilities	16,802	-39	There is a small underspend anticipated in 2010/11, but based on clients placed during the year, a full year overspend of £600k will arise in 2011/12. This reflects the impact of current activity and does not take account of new clients coming through transition next year.
Residential Care - Mental Health	2,766	(97)	The full year effect of the 2010/11 underspend will produce a saving of £162k, which will contribute towards pressures in the older peoples services.
SEN & Inclusion	7,287	100	SEN Transport is currently projected to be £100k overspent. - This is due to the growing number of exceptionally high cost pupils, a trend that is likely to increase the £100k overspending this year, and likely to increase in future years.
Children's Placement Projections	8,181	1,595	The current overspend is likely to have implications beyond the current year.  The Southwark judgement (please see Early Warning in Appendix 4B) is adding significantly to placement costs. This is being continuously assessed and monitored.  Any overspending in 2011/12 will be contained in the total CYP budget allocation, to the extent that it has not been factored into the four year forecast.
Safeguarding & Social Care Division	20,277	450 (salaries element)	The factors behind this overspending are detailed in Appendix 4B and are likely to continue into future years.  Any overspending in 2011/12 will be contained in the total CYP budget allocation, to the extent that it has not been factored into the four year forecast.
Diverting expenditure to be met by grant funding		1,330	Containing the controllable CYP overspending to the £653k on the non-Schools' Budget in this Report was achieved by attributing £1,330,000 of previously core funded expenditure to grant funding instead. This will need to be reconsidered for the 2011/12 budget, in view of grant reduction.
Parking (net controllable)	(5,710)	400	Income from the Hill, Westmoreland & Civic Centre car parks are £300k below budget for April to Nov but in line with the actual income received for the same eight months last year. If usage continues at this level it is projected that the shortfall of income for these car parks will be £460k. Income from other surface car parks is also projected to be £50k down at the year end. These projected figures include the effect of the VAT increase which will increase the deficit by £22k in 2010/11 and £88k in 2011/12. A surplus of £110k is projected for PCN income due to more effective use of resources relating to mobile & static CCTV cameras and improved performance of the parking contractor.
Waste Management (net controllable)	16,508	15	Disposal tonnage is 9,600 tonnes below the budgeted amount for April to Nov resulting in an underspend of £706k. At this stage it is projected that the year end variation will be 11,000 tonnes with a full year underspend of £809k as a direct result of the recession. Other variances total Dr £68k which includes health and safety works at the depot. Total variation of £Cr 741k reduced to Cr £15k after transferring £756k to central contingency.
Planning & Renewal (net controllable)	2,625	34	Income from planning applications has reduced due to the economic climate and a shortfall of £348k is projected for 2010/11. This level of shortfall may continue into 2011/12 if the recession continues however there are indications that activity is increasing. To reduce the shortfall, 3.04fte posts are being held vacant and running expenses have been cut (Cr £270k). If activity increases then posts will be filled using agency staff to give flexibility if application numbers dip.
Building Control income	(1,118)	126	Income from building control is expected to be £200k below budget due to the economic climate. Activity has picked up compared to the first eight months in 2009/10. 4.45fte posts are being held vacant to partly offset the deficit. A sum of £138k has been drawn down from contingency to account for the effect of legislation changes for building control. New guidance from CIPFA means that charges will have to be set to recover chargeable costs. £74k provision no longer needed has been written back to revenue.
Running expenses	1,087	(200)	
Glades rent income	(2,585)	600	The latest information received from the management company (CSC) for the Glades Shopping Centre indicates that a reduction in rent income of £600k is likely for 2010/11 as a result of a fall in trading due to the economic downturn in the retail sector. This situation is unlikely to improve until 2012/13 and then only marginally. Information is provided by CSC quarterly and this projection will continue to be updated if the position changes, given the current economic climate this is likely.
Other budgets	143,905	(4,037)	
Total	213,433	664	