

**Decision Maker:** Adult and Community Policy, Development and Scrutiny Committee

**Date:** 14<sup>th</sup> June 2011

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

**Title:** **OUTTURN REPORT 2010/11 - ADULT & COMMUNITY SERVICES**

**Contact Officer:** Lesley Moore, Head of Finance  
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**Chief Officer:** Terry Rich, Director of Adult & Community Services

**Ward:** All

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1. Reason for report

This report provides the ACS PDS Committee with the final outturn position for 2010/11.

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2. **RECOMMENDATION(S)**

1. Members are requested to note that there was an underspend of £277,000 on controllable budgets at the end of 2010/11 and consider any issues arising out of it.
2. To note that the Executive will be requested to agree net carry forwards totalling £809,000 as detailed in appendix 2, including a required change in accounting requirements to address 'technical accounting' changes in 2010/11 as detailed in 3.3. The figures reflected in this report assume that the carry forward requests will be approved.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Supporting Independence.
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### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Adult & Community Services Portfolio Budgets
  4. Total current budget for this head: £95.3M
  5. Source of funding: N/A
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### Staff

1. Number of staff (current and additional): 700
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory requirement.
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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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. COMMENTARY**

- 3.1 This report provides an update of the final budget position for the Adult and Community Services Portfolio PDS Committee, which is broken down in detail in Appendix 1, along with explanatory notes.
- 3.2 The final outturn for the “controllable” element of the budget in 2010/11 was a £277,000 underspend compared to an underspend of £161,000 anticipated in the last budget monitoring report on the 29th March, which was based on activity and assumptions to the end of January.
- 3.3 On 22nd June 2011 the Executive will be requested to approve carry forward requests relating to unspent grant income, as detailed in appendix 2. All of these requests relate to ongoing grant-funded projects and initiatives which will continue in 2011/12.

A change in accounting practice from 2010/11 arising from the implementation of International Financial Reporting Standards (IFRS) applies to non ring-fenced grants with conditions that direct or limit the purpose for which the grant can be used, but do not specify that the grant must be repaid if these conditions are not met. As a result of this change, grants which would not have to be repaid are no longer permitted to be carried forward as a Receipt in Advance but must be allocated to revenue accounts in 2010/11. This represents a new ‘technical accounting’ change effective from 2010/11. The accounting requirements can be met through the use of an earmarked reserve for which Executive approval is required. The Executive will be requested to approve the relevant contributions to and from the government grant earmarked reserve at the time that the carry forward requests are considered

### **4. POLICY IMPLICATIONS**

- 4.1 The Resources Portfolio Plan for 2010/11 included 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 2011/12 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 outturn is shown in Appendix 1 and includes actual expenditure for each division, compared to the final approved budget, with an explanation of any variations. 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 2011/12.
- 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. An explanation of the large variation in non-controllable costs is contained in appendix 1c. 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 At the end of the year there was an overspend of £996k in the Care Services division, as a result of various pressures highlighted in year.

The variations are analysed below.

	£'000
Domiciliary care & direct payments - older people	793
Residential and nursing - older people	-347
Domiciliary care & direct payments - physical disabilities	245
Residential and respite - physical disabilities	107
Other	-4
<b>Total Assessment &amp; Care Management</b>	<u>794</u>
In-house homecare	222
Other direct care services	76
Learning disabilities care management and provider services	-8
Aids/Hiv grant	-88
<b>Total Care Services</b>	<u><u>996</u></u>

5.4 The Commissioning and Partnerships division underspent by £993k, £293k more than anticipated in January. The variation is analysed in the table below and assisted in off-setting the overspend caused by pressures within the Care Services division.

	£'000
Procurement & Contracts Compliance - Supporting People contracts	-423
Commissioning & Partnerships - other contracts	-118
Drugs & Alcohol	-62
Learning Disabilities Services	-117
Mental Health Services	-273
<b>Total Commissioning &amp; Partnerships</b>	<u><u>-993</u></u>

5.5 The Strategic Support Services division underspent by £307k as planned, to help offset the pressures in assessment and care management services within the Care Services division.

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

<b>Non-Applicable Sections:</b>	Legal and Personnel
Background Documents: (Access via Contact Officer)	2010/11 Budget Monitoring files within Adult & Community Services Finance Section.