

PART 1 - PUBLIC

Decision Maker: Executive

Date: 7th September 2011

Decision Type: Non-Urgent Executive Key

Title: BUDGET MONITORING 2011/12

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Chief Officer: Director of Resources

Ward: Borough Wide

1. Reason for report

1.1 This report provides the second budget monitoring position for 2011/12 based on expenditure and activity levels up to June 2011. 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.

2. **RECOMMENDATION(S)**

2.1 Executive are requested to:

(a) consider the latest financial position;

(b) note that a projected net underspend of £305k is forecast based on information as at June 2011. This consists of a £164k overspend on services offset by additional grant income of £319k and a projected underspend on the Central Contingency provision of £150k;

(c) consider the comments from the Director of Children and Young People and the Director of Adult and Community Services detailed in sections 3.3, 3.4 and appendix 1;

(d) Identify any issues that should be referred to individual Portfolio Holders for further action.

Corporate Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £132m (excluding GLA precept)
 5. Source of funding: See Appendix 2 for overall funding of Council's budget
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Staff

1. Number of staff (current and additional): 6,845 (per 2011/12 Budget), which includes 4,425 for delegated budgets to schools.
 2. If from existing staff resources, number of staff hours: N/A
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Legal

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

1. Estimated number of users/beneficiaries (current and projected): The 2011/12 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. COMMENTARY

3.1 The table below provides a breakdown of the 2011/12 budget and projected spend as at end of June 2011:-

	2011/12 Original Budget £'000	2011/12 Latest Budget £'000	2011/12 Projected Outturn £'000	2011/12 Variation £'000
Adult & Community Services	85,776	85,791	85,496	-295
Children & Young People	31,531	31,531	32,153	622
Environmental Services	36,199	36,169	36,139	-30
Public Protection	3,446	3,446	3,446	0
Renewal & Recreation	9,953	10,106	10,106	0
Resources	34,120	34,933	34,800	-133
Total Controllable Budgets	201,025	201,976	202,140	164
Capital Charges and Insurance	17,479	47,929	47,929	0
Non General Fund Recharges	-884	-884	-884	0
Total Portfolio Budgets	217,620	249,021	249,185	164
Contingency Provision	3,617	3,617	3,467	-150
Other Central Items	-17,697	-48,147	-48,147	0
General Government Grants	-71,374	-71,374	-71,693	-319
Total Central Items	-85,454	-115,904	-116,373	-469
Total Variation	132,166	133,117	132,812	-305

3.2 The above table highlights that the main cost pressure in year relates to the Children and Young People Portfolio. A detailed breakdown of the Latest Approved Budgets and Projected Outturn across each Portfolio, together with an analysis of variations, is shown in Appendix 3.

3.3 Chief Officer Comments - Director of Children and Young People

3.3.1 The £622k overspend position in the Non-Schools' Budget arises largely from:

- the continuing cost pressures from children's placements;
- SEN Transport costs;
- the use of locum staff within the Children's Social Care and Safeguarding teams.

The main volatile element of spend is children's placements and there are limited controls given the statutory obligations on the Council and often the limited range of placement provision available, particularly in the case of residential provision. However, rigorous management action will be taken to contain these additional costs within the overall budget envelope by identifying compensatory savings, where possible, and maintaining a strict regime across all areas of the Department's spend.

Detailed Chief Officer Comments from the Director of Children and Young People, including details of management action to contain these additional costs, are included at Appendix 1.

3.4 Chief Officer Comments – Director of Adult & Community Services

- 3.4.1 The rollout of the Reablement Service is beginning to show positive trends around reducing the increasing demand for domiciliary care. Residential and nursing care costs are broadly on track with plans in place to reduce spend in this area over the coming year.
- 3.4.2 Pressure on temporary accommodation costs continue and options for temporary use of empty council owned properties are being explored to reduce costs going forward.

3.5 Central Contingency Sum

- 3.5.1 Details of the variations in the 2011/12 Central Contingency sum are included in Appendix 4.
- 3.5.2 The original Contingency provision included £600k for further estimated increases in fuel costs. Latest projections indicate that £150k of this provision will not be required.
- 3.5.3 There are no requests for allocations from the Central Contingency requiring Executive approval this cycle.
- 3.5.4 The 2011/12 Central Contingency contains various provisions which reflect uncertainty around potential costs, grants and service pressures. If these provisions are not required, there will be a resulting underspend on the final Contingency position at year end.

3.6 Additional Grant Income and General Government Grants

- 3.6.1 The Department for Communities and Local Government have issued the final allocations for the New Homes Bonus grant, a grant designed to address the disincentive within the Local Government finance system for local areas to welcome growth by providing funding to mitigate the strain on public services arising from increased housing in communities. Bromley's final allocation is £243k higher than anticipated in setting the 2011/12 budget.
- 3.6.2 The Local Services Support Grant determination for 2011/12 was issued on 1st April 2011 and Bromley's allocation is £56k higher than that assumed in the budget.
- 3.6.3 On 22nd June 2011, the Executive approved the setting aside of £884k in the Government Grant Earmarked Reserve to deal with technical accounting changes relating to non ring-fenced government grants. Following scrutiny of the carry forward requests, as detailed in section 3.8, £20k of this funding will not be required in 2011/12.

3.7 Severance Fund

- 3.7.1 Executive on the 14th February 2011 and subsequently Council agreed a sum of £3.5m be set aside from balances in 2011/12, with further estimated requirements of £2m in 2012/13, to meet potential severance costs which will enable the achievement of revenue savings totalling £22m in 2011/12 and £33m in 2012/13.

3.8 Carry forwards from 2010/11 to 2011/12

3.8.1 A net total of £951k has been carried forward into 2011/12 funded from underspends in 2010/11. Details were reported to the Executive on 6th April 2011, 22nd June 2011 and 20th July 2011.

3.9 General Fund Balances

3.9.1 The level of general reserves is currently projected to decrease by £4,146k to £49,635k at 31st March 2012. Further details are provided below:

	2010/11 Projected Outturn £'000
General Fund Balance at 1 st April 2011	(53,781)
Total Variation (para. 3.1)	(305)
Adjustments to Balances:	
Severance Fund	3,500
Carry Forwards from 2010/11	951
Total Reduction in Balances	4,146
Projected General Fund Balance at 31 st March 2012	(49,635)

3.9.2 The 'Update on the Council's Financial Strategy 2012/13 to 2015/16' elsewhere on the agenda includes proposals to create 2 new earmarked reserves funded from general reserves. At this stage, no changes have been assumed in the projections contained within this report to reflect these proposals.

3.10 The Schools' Budget

3.10.1 There is a projected net underspend on the Schools' Budget of £10k. Overspends and underspends must be carried forward to the following year's Schools' Budget and have no impact on the Council's General Fund. Details of the 2011/12 monitoring for the Schools' Budget will be reported to the Children and Young Peoples Portfolio Holder.

3.11 Impact on Future Years

3.11.1 The report identifies expenditure pressures which could have an impact on future years. The main areas to be considered at this stage are summarised below:

	2011/12 Budget	2012/13 Impact
	£'000	£'000
Adult & Community Services Portfolio:		
Residential & Domiciliary Care		
- Older People	20,571	556
- Learning Disabilities	24,890	74
- Mental Health	2,889	-215
Commissioning & Partnerships	2,435	151
		566
Children & Young People Portfolio:		
SEN Children's Disability Team Placements	1,559	632
Children's Placement Projections	9,535	234
		866
Environment Portfolio:		
Shortfall of Off-Street Parking Income	-5,316	100
Waste Services – Reduction in Tonnage	16,843	-100
		0

3.11.2 The 2012/13 financial forecast includes £676k for Adults with Learning Disabilities and £500k for Children's Placements.

3.11.3 The Director of Children and Young People has indicated that management action should substantially reduce this overspend but that any remaining overspend in 2012/13 will be contained within the total CYP budget allocation to the extent that it has not been factored into the financial forecast.

3.11.4 The Director of Adult and Community Services has advised that forecasts based on the latest available activity show a full year overspend of £566k, after allowing for additional costs already reflected within the 2012/13 financial forecast. This primarily relates to domiciliary care for older people and it is anticipated that the budget will be brought into balance by successful management action, increased use of reablement and the rigorous application of eligibility criteria.

3.12 Early Warnings

3.12.1 A recent consultation paper has been issued considering changes to the arrangements for the top-slicing of funding for Academies. It is not clear, at this stage, whether there will be any retrospective adjustments for 2011/12 as well as further changes from 2012/13 onwards. Any changes could be significant given the scale of transfer of schools to become Academies.

3.12.2 On 12th July 2011, the Executive and Resources PDS Committee considered a report to the Portfolio Holder on the position of the Insurance Fund as at 31st March 2011 and statistics relating to insurance claims for the last two years. In 2010/11, the total Fund value reduced from £3.5m to £3.2m, mainly as a result of a one-off review of the potential value of all unsettled claims. The Committee noted that the Fund position would be reviewed at the end of 2011/12, with the possibility that a further top-up might be required.

4. POLICY IMPLICATIONS

- 4.1 “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.
- 4.2 The “2011/12 Council Tax” report highlighted 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.

5. FINANCIAL IMPLICATIONS

- 5.1 These are contained within the body of the report with additional information provided in the appendices.

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	Update on Council’s Financial Strategy 2012/13 to 2015/16 – Executive 7 th September 2011. Budget Monitoring 2011/12 – Executive 20 th July 2011. Provisional Final Accounts 2010/11 – Executive 22 nd June 2011. 2011/12 Council Tax report – Executive 14 th February 2011. The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues – Executive 12 th January 2011. 2011/12 Budget Monitoring file - Technical and Control Finance Section.

Chief Officer Comments - Director of Children and Young People

- 1.1 The £622k overspend position in the Non-Schools' Budget arises largely from:
- the continuing cost pressures from the children's placements given the complexity and nature of their needs; the Council has statutory responsibility to make provision for these children.
 - SEN Transport costs are also projected to increase; further analysis of these potential costs will be undertaken once the data relating to 'starters' and 'leavers' are confirmed for the new academic year. This will enable a more robust forecast for the year.
 - The use of locum staff within the Children's Social Care and Safeguarding teams continues to create additional cost pressures and associated overspend. Whilst the recruitment and retention strategy approved by Executive in February 2010 is making a significant improvement to our target to reduce reliance on locum staff and establish a stable workforce, this strategy is phased over three years with a stepped reduction in the need for locums as permanent social care staff are secured.
- 1.2 It is to be noted that there is less flexibility within the CYP budget to offset in-year service pressures during 2011/12, such as Looked After Children and children's disability placements, given the significant reductions in DfE grant funding streams to the Council and CYP Services. In previous financial years, it has been possible to use the flexibilities in certain grant streams and redirect them to address some of the cost pressures within Children and Young People Department. The consequences of the grant reduction have been the subject of reports to the CYP PDS and Portfolio Holder during 2010/11.
- 1.3 Thresholds for Children's Social Care intervention are set by legislation and statutory regulation. The thresholds within Bromley Children's Social Care were confirmed as being consistently applied by the Ofsted's Unannounced Inspection of children's referral and assessment services completed in April 2011. The Director and Lead Member CYP have a statutory responsibility to ensure that requirements for Children's Social Care and Safeguarding are fulfilled.
- 1.4 There are two Executive Member Working Parties established to oversee and monitor service volumes, trends, and policy and strategy for two key areas of CYP services: Executive Working Party SEN established in 2003; Executive Member Working Party Children's Safeguarding and Corporate Parenting, established in 2010. The current cost pressures arising from Safeguarding and Social Care placements and SEN Transport will be given full consideration through these groups.
- 1.5 The forecast does not take into account any further net increases to in-year placements, and so there is a likelihood that the overspending may, without management action, increase as the year progresses. However, management action is being taken to drive down costs, meeting providers and realigning placements where appropriate. This will be the subject of further consideration to estimate the growth based on previous years trends. The full year effect of the placements overspending is estimated at £866k.

1.6 Action To Be Taken To Reduce Children's Disability Team placements (cause of the Non-Schools' Budget Overspending), and the call upon contingency in the Schools' Budget for SEN Placements

The main drivers contributing to the overspend position in both the Schools' Budget and the non-Schools' Budget are outlined in para 1.1 above. The main volatile element of spend is children's placements and there are limited controls given the statutory obligations on the Council and often the limited range of placement provision available particularly in the case of residential provision. However, rigorous management action will be taken by the Director CYP and the Assistant Directors (Access & Inclusion and Safeguarding & Social Care) to contain these additional costs within the overall CYP budget envelope by identifying compensatory savings, where possible, and maintaining a strict regime across all areas of the CYP Department's spend. This will include:

- Review children in high cost residential and independent fostering to assess any scope to reduce these commitments.
- Robustly re-examine the gatekeeping procedures in relation to children's placements but within the confines of statutory requirements. All placements are the subject of scrutiny, detailed consideration and examination of all placement options before approval. This process is conducted through a Placement Panel which is chaired by the Assistant Director for Children's Social Care and Safeguarding. Cases are reviewed quarterly. Tightly controlled purchasing of placements through negotiation, clear specifications, avoiding 'extras', achieving least expensive options where possible.
- Joint work with the Housing Department to divert potential homeless youngsters aged 16+ away from the care system to supported lodgings through the Housing Department.
- Complete the review of fostering provision and costs with support from the Organisation Improvement Team to achieve a revised foster carer payment policy, increase the number of LBB placements and reduce dependency on Independent Fostering Agencies. A work programme is currently under way to increase the number of LBB foster placements and reduce dependency on IFAs as well as develop packages of support to carers to enable more challenging children to be cared for within foster homes.
- Assess the percentage of costs in respect of placements that are health related within context of Department of Health funding, future commissioning health arrangements and CAHMS involvement where appropriate.
- Sustain aggressive social work recruitment activity; rolling three weekly interview panels, two day short-listing and invitation to interview turnaround time, update Children's Social Care micro-site on the Bromley website, use of Google, attract CWDC external funding for Grow Your Own trainee scheme, improve retention.
- Re-examine the charges for high cost placements with a view to reducing the cost of individuals' current provision.

1.7 In addition, the Director has introduced a general moratorium on all running costs and expenditure, other than those that are strictly essential. All vacancies will be frozen other than for essential posts, with a minimisation of those costs associated with interim arrangements and cover for vacancies, wherever possible.

1.8 In terms of the Schools' Budget position, following the detailed report to the PDS Committee and Portfolio Holder on 14 July 2011, it was noted that the final accounts for 2010/11 indicated that 10 primary and 3 secondary schools had deficits at 31 March 2011. The CYP Schools' Finance Team will work with those schools' governing bodies and head teachers to agree Deficit Recovery Plans which must be the subject of approval by the Director, CYP.

Portfolio	2011/12 Original Budget £'000	Budget Variations allocated in year # £'000	2011/12 Final Approved Budget £'000	2011/12 Provisional Final Outturn £'000	Variation £'000	Variation previously reported to Exec 20.07.11 £'000
Adult and Community Services	85,776	15	85,791	85,496	Cr 295	60
Children and Young People (incl. Schools' Budget)	31,531	0	31,531	32,153	622	400
Environment	36,199	Cr 30	36,169	36,139	Cr 30	0
Public Protection & Safety	3,446	0	3,446	3,446	0	0
Renewal and Recreation	9,953	153	10,106	10,106	0	0
Resources	34,120	813	34,933	34,800	Cr 133	11
Total Controllable Budgets	201,025	951	201,976	202,140	164	471
Capital and Insurances (see note 2)	17,479	30,450	47,929	47,929	0	4
Non General Fund Recharges	Cr 884	0	Cr 884	Cr 884	0	0
Total Portfolios (see note 1)	217,620	31,401	249,021	249,185	164	475
Central Items:						
Interest on General Fund Balances	Cr 2,691	0	Cr 2,691	Cr 2,691	0	0
Contingency Provision (see Appendix 4)	3,617	0	3,617	3,467	Cr 150	0
Other central items						
Reversal of Net Capital Charges (see note 2)	Cr 16,703	Cr 30,450	Cr 47,153	Cr 47,153	0	0
Additional Grant Income	0	0	0	Cr 76	Cr 76	0
Additional contribution to LPFA for residual liabilities	100	0	100	100	0	0
Levies	1,597	0	1,597	1,597	0	0
Total other central items	Cr 15,006	Cr 30,450	Cr 45,456	Cr 45,532	Cr 76	0
Total All Central Items	Cr 14,080	Cr 30,450	Cr 44,530	Cr 44,756	Cr 226	0
Bromley's Requirement before balances	203,540	951	204,491	204,429	Cr 62	475
Reserve for potential redundancy costs (Exec. 14th Feb'11)	0	0	0	3,500	3,500	3,500
Carry Forwards from 2010/11 (see note 3)	0	Cr 951	Cr 951	0	951	951
Adjustment to Balances	0	0	0	Cr 4,146	Cr 4,146	Cr 4,926
	203,540	0	203,540	203,783	243	0
Formula Grant (Revenue Support Grant / Business Rates)	Cr 67,320	0	Cr 67,320	Cr 67,320	0	0
Council Tax Grant	Cr 3,304	0	Cr 3,304	Cr 3,304	0	0
New Homes Bonus	Cr 750	0	Cr 750	Cr 993	Cr 243	0
Bromley's Requirement	132,166	0	132,166	132,166	0	0
GLA Precept	41,308	0	41,308	41,308	0	0
Council Tax Requirement	173,474	0	173,474	173,474	0	0

# Budget Variations allocated to portfolios in year consists of:	£'000
1) Allocations from the central contingency provision (see Appendix 4)	0
2) Plus Carry forwards of unspent budget provision from 2010/11 (see note 3)	951
3) Non Controllable Budget Variations (Capital Charges)	30,450
	<u>31,401</u>

1) **NOTES**

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2011/12 Original Budget £'000	Budget Variations allocated in year # £'000	2011/12 Latest Approved Budget £'000	2010/11 Projected Outturn £'000	Variation £'000	Variation previously reported to Executive £'000
Adult and Community Services	96,371	5,565	101,936	101,602	Cr 334	60
Children and Young People	48,078	18,910	66,988	67,604	616	400
Environmental Services	41,576	5,593	47,169	47,139	Cr 30	0
Renewal and Recreation	16,469	1,268	17,737	17,788	51	15
Corporate Services	15,126	65	15,191	15,052	Cr 139	0
	<u>217,620</u>	<u>31,401</u>	<u>249,021</u>	<u>249,185</u>	<u>164</u>	<u>475</u>

2) **Reversal of Net Capital Charges**

This is to reflect the accounting requirements contained in the Code of Practice for Local Authority Accounting and reverses the allocation of capital charges to portfolio budgets, thereby ensuring there is no impact on the General Fund. The budget variation of £30,450k relates to technical accounting changes which require that capital grant income is no longer accounted for through Portfolio budgets.

3) **Carry Forwards from 2010/11**

Carry forwards from 2010/11 into 2011/12 totalling £951k were approved by the Executive and under the delegated authority of the Director of Resources. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2010/11" report and in the Budget Monitoring 2011/12 report to the Executive on 20th July 2011.

2010/11 Actuals £'000	Division Service Areas	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projection £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
-88	Care Services							
	AIDS-HIV Grant	190	190	190	0		0	0
31,031	Assessment and Care Management	32,124	32,110	33,133	1,023	1	0	556
7,892	Direct Services	5,321	5,321	4,812	-509	2	0	0
2,056	Learning Disabilities Care Management	2,230	2,230	2,230	0		0	0
2,036	Learning Disabilities Day Services	2,030	2,030	2,030	0		0	0
1,412	Learning Disabilities Housing & Support	1,317	1,328	1,328	0		0	0
44,339		43,212	43,209	43,723	514		0	556
	Commissioning and Partnerships - ACS Portfolio							
2,729	Commissioning and Partnerships	2,435	2,435	2,624	189	3	0	151
275	Drugs and Alcohol	256	256	256	0		0	0
14,841	Learning Disabilities Services	16,194	16,187	16,187	0		0	74
4,547	Mental Health Services	5,124	5,124	4,867	-257	4	0	-215
0	PCT Funding (Social Care & Health)	0	0	0	0		0	0
5,267	Procurement & Contracts Compliance	5,185	5,199	4,371	-828	5	0	0
27,659		29,194	29,201	28,305	-896		0	10
	Housing and Residential Services							
-5	Enabling Activities	-18	-18	-5	13	6	0	0
-1,607	Housing Benefits	64	60	60	0		0	0
1,587	Housing Needs	1,173	1,468	1,528	60	7	60	0
111	Housing Strategy & Development	92	784	798	14	6	0	0
1,311	Residential Services	998	43	43	0		0	0
1,397		2,309	2,337	2,424	87		60	0
	Strategic Support Services							
8,574	Concessionary Fares	8,777	8,777	8,777	0		0	0
728	Customer Services	542	542	542	0		0	0
1,300	Performance & Information	1,543	1,534	1,534	0		0	0
197	Quality Assurance	199	191	191	0		0	0
0	Transforming Social Care	0	0	0	0		0	0
10,799		11,061	11,044	11,044	0		0	0
84,194	TOTAL CONTROLLABLE FOR ADULT AND COMMUNITY SERVICES	85,776	85,791	85,496	-295		60	566
11,165	TOTAL NON CONTROLLABLE	1,381	6,931	6,892	-39		0	0
9,775	TOTAL EXCLUDED RECHARGES	9,214	9,214	9,214	0		0	0
105,134	PORTFOLIO TOTAL	96,371	101,936	101,602	-334		60	566

REASONS FOR VARIATIONS

1. Assessment & Care Management - £1,023k

The variation can be analysed as follows:-

	£'000
Domiciliary care & direct payments for older people	941
Residential/Nursing care and respite for older people	82
	<u>1,023</u>

- (a) Expenditure on domiciliary care has been increasing as more older people are maintained in their own homes rather than placed in residential care. This is a continuation of last year's trend and the projected overspend takes account of the anticipated savings of £300k from greater use of reablement.

The projections also include an assumption that the budget changes around charging income are fully realised (£191k). Income has been projected on April data, so the effects of the revised direct payment rates and the new charging policy effective from 16 May, are not yet known.

- (b) The budgets for residential, nursing and respite care for older people are anticipated to overspend by £82k based on activity to date.

2. Direct Services - Cr 509k

The variation can be analysed across the different services as follows:-

	£'000
(a) In-house Home care	334
(a) Funded by care management	-334
Meals Service	7
(b) Reablement team	<u>(516)</u>
	<u>(509)</u>

- a) The In-House Homecare service closed in June and the overspend mainly relates to the fact that the fixed overheads of the service were not fully recovered through the hourly rate charged. The purchasing budget held by Care Management will be reduced to offset the overspend.

- b) The Reablement team is not yet up to the full capacity that the budget was set on, therefore an underspend of £516k is projected.

3. Commissioning & Partnerships - £189k

The 2011/12 budget includes a savings target £350k for efficiencies. It is anticipated that only £174k will be achieved, resulting in a shortfall of £176k, however this is offset by additional savings on supporting people contracts in note 5.

There is also a minor overspend of £13k arising from the anticipated shortfall in savings from staff turnover which is assumed in the staffing budget.

4. Mental Health Services - Cr £257k

The underspend arises partly from the full year effect of client moves during 2010/11 which resulted in more cost effective placements, from an increase in the use of flexible support rather than residential placements and from containing annual contract price increases due to providers.

5. Procurement & Contract Compliance - Cr £828k

There is a projected underspend of £828k which is additional to the savings built into the 2011/12 budget for reduced Supporting People commissioning.

The underspend can be broadly attributed to:

	£'000
Savings from funding sheltered housing being higher than budgeted	(261)
Savings from SP commissioning higher than budgeted (including FYE of savings achieved in 2010/11)	(380)
Negotiated contract price increases lower than budgeted	<u>(187)</u>
	<u>(828)</u>

6. Enabling Activities £13k / Housing Strategy & Development £14k

Interest rates and mortgage balances have been falling steadily over the last few years resulting in reduced income from interest on mortgage repayments. The anticipated shortfall in income this year is £27k and is offset by underspends in the Commissioning and Partnership division.

7. Bed & Breakfast Temporary Accommodation - £60k

Budgets are currently forecast to overspend by £60K. Increased client numbers and unit costs during the first part of the financial year have been evident and the trend is forecast to continue throughout the year.

This increase has been noticeable across all London Boroughs and is the result of the pressures of rent and mortgage arrears coupled with a reduction in the numbers of properties available for temporary accommodation. There are high levels of competition and evidence of 'out bidding' between London boroughs to secure properties and this has contributed towards the high costs of nightly paid accommodation.

It is possible that the overspend could be as much as £150k this year so the budget is being closely monitored.

Waiver of Financial Regulations

There were 14 contract waivers approved during the first quarter of the financial year for residential placements made as part of the Learning Disabilities PCT Campus Closure Programme. The individual costs range between £75k and £148k per annum and are wholly funded by the Learning Disabilities transfer grant.

There was also a waiver for a mental health client costing £64k per annum which is 50% part-funded with the PCT.

The Director approved 4 waivers for contract extensions of between two and six months that were over £50k. Affinity Sutton Sheltered housing £139k, Community Links £78k, ICES home loan equipment £79k and BAT support for clients at Winsford House £92k.

There was also 3 waivers approved for the extension of the following contracts for 12 months. Shaw Trust for the Bromley Local Involvement Network (LINK) £90k, Age Concern support planning and brokerage £115k and Kent Association for the Blind £115k.

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 monthly financial monitoring reports to the Portfolio Holder. In 2011/12, the following virement has been actioned:

- (a) £16k has been transferred from Strategic Development & Performance to Housing Needs to facilitate the implementation of the new Allocations scheme.

2010/11 Actuals £'000	Division Service Areas	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projection £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Access and Inclusion Division							
1,151	Access	829	829	833	4	1		0
313	Bromley Children and Family Project	6,477	6,477	6,392	-85	2		0
6,823	SEN and Inclusion	7,649	7,649	8,409	760	3	300	632
8,287		14,955	14,955	15,634	679		300	632
	Learning and Achievement							
0	Commissioning and Business Services	1,082	1,082	1,032	-50	4		0
2,762	Bromley Youth Support Programme	2,380	2,380	2,306	-74	5		0
124	Standards and Achievement Services	1,750	1,750	1,700	-50	6		0
2,886		5,212	5,212	5,038	-174		0	0
	Safeguarding and Social Care							
13,425	Care and Resources	12,936	12,899	13,008	109		87	234
536	Children in Care Education	555	555	535	-20		-20	0
2,109	Safeguarding and Quality Assurance	2,267	2,267	2,267	0		0	0
2,335	Safeguarding and Care Planning	2,565	2,505	2,525	20		20	0
2,661	Referral and Assessment	2,091	2,188	2,201	13		13	0
827	Youth Offending Team	944	944	924	-20		0	0
21,893		21,358	21,358	21,460	102	7	100	234
	Strategy and Performance							
580	Research and Statistics	580	580	580			0	0
450	Strategic Planning and Commissioning	425	425	440	15		0	0
1,030		1,005	1,005	1,020	15	8	0	0
0	EARLY INTERVENTION GRANT	-10,999	-10,999	-10,999	0		0	0
34,096	TOTAL CONTROLLABLE BUDGETS	31,531	31,531	32,153	622		400	866
40,835	TOTAL NON CONTROLLABLE	10,375	29,285	29,279	-6		0	0
7,334	TOTAL EXCLUDED RECHARGES	6,172	6,172	6,172	0		0	0
82,265	TOTAL NON-SCHOOLS BUDGET	48,078	66,988	67,604	616		400	866
459	TOTAL SCHOOLS BUDGET	0	0	0	0	9	0	0
82,724	PORTFOLIO TOTAL	48,078	66,988	67,604	616		400	866

REASONS FOR VARIATIONS

1. Access - Dr £4k

£'000

Education Welfare Service - Dr £41k

1. The budget was reduced on the assumption that a full year of savings would be yielded from managing the Education Welfare Officers and Behaviour Support services together. However, it is unlikely that this will be achieved in 2011/12.

70

2. Additional income from sold services and savings in supplies and services will help to offset the above
- additional income/underspending

-29

41

Awards, Transport and Pupil Benefits - Cr £40k

This is a demand driven budget and therefore difficult to forecast, but the best estimate at present is that it will underspend by £40k.

-40

Other minor variances

3

4

2. Bromley Children and Family Project - Cr £85k

Savings are being made by holding some posts vacant.

3. SEN and Inclusion - Dr £760k

SEN Transport Contracts - Dr £100k

Pupil volumes have risen and the service has been given a challenging savings target on the basis of expected savings from the re-tendering of contracts. At this early stage in the year a £100k overspending is projected, but a more confident projection will be made in October once starters and leavers are known for the new academic year.

Children with Disabilities - Dr £660k

There have been four recent high cost placements required for looked after children.

Pupil placements are driving the overspending in both the Schools' Budget and the non-Schools' Budget. Rigorous management action will continue to be taken by the Director of Children and Young People and the Assistant Directors (Access & Inclusion and Safeguarding & Social Care) to contain and reduce costs:

- Review children in high cost residential and independent fostering.
- Further strengthened gate keeping. All placements must be agreed and approved at CSC Placement Panel and by the Assistant Director for Social Care. Cases are reviewed quarterly. Numbers of Looked After Children reduced from 299 in May 2010 to 269 in March 2011.
- Implementation of an Adolescent and parenting support team to focus on preventing teenagers coming in to care.
- Joint work with the Housing Department to divert potential 16 plus homeless youngsters away from care system to supported lodgings through Housing Department.
- A review of fostering provision and costs. A work programme is currently under way to increase the number of LBB foster placements and reduce dependency on Independent Foster Agencies as well as develop packages of support to carers to enable more challenging children to be cared for within foster homes.
- Introduction of rolling interview panels, a Children's Social Care micro-site on the Bromley website, and a two day short listing and invitation to interview turn around time for social work applications to support the recruitment and retention package.
- Tightly controlled purchasing of placements through negotiation, clear specifications, avoiding 'extras', achieving least expensive options where possible.

In addition, a general moratorium will be reduced on all running costs expenditure other than those that are strictly essential, and all vacancies will be frozen other than for essential posts, with a minimisation of cost of cover for vacant posts.

4. Education Commissioning & Business Services - Cr £50k

Savings from delayed appointments to vacant posts.

5. Youth Support Programme - Cr £74k

Savings from delayed appointments to vacant posts.

6. Standards & Achievement - Cr £50k

Savings from delayed appointments to vacant posts.

7. Safeguarding and Social Care Division - Dr £102k

£'000

Salaries overspending across the Division - Dr £100k

100

Safeguarding and Social Care has exceeded the agreed target to reduce the numbers of locum social workers as identified in the Recruitment and Retention report to the Executive on the 3rd February 2010 and as a consequence the £100k overspend is lower than anticipated and planned.

Progress on using locum social workers is continuing and every effort will be made to further reduce spending in this area.

Care and Resources - Dr £49k (excluding salaries)

49

The £49k overspend can be broken down as follows: £'000

Childrens' Placements	93 overspend
Housing Benefit for Care Leavers:	
Under 18s	-56 underspend
Over 18s - Under recovery of rent	12 overspend
	<u>49</u>

Referral and Assessment - Cr £7k (excluding salaries)

-7

Clients with No Recourse to Public Funds rose steadily during 2010-11. The costs are to accommodate and provide for families who cannot work due to their legal status and who do not receive benefits. This was previously absorbed within S17 budgets but is now reported separately. A £19k overspend is projected.

One post has become vacant in the Teenage and Parent Support Service Team. This will be held vacant for the remainder of the year to contribute a £26k underspend to off-set other costs.

Children in Care Education - Cr £20k

-20

Management action was identified to offset the overall overspend. The saving made during the recruitment of the new Children in Care Education teacher will be held rather than redirected to support overspends in other areas of this service.

Youth Offending Team - Cr £20k

-20

Savings are being made on a mix of areas including grant income, salaries and running costs.

102

8. Strategy & Performance Division - Dr £15k

Due to the unavoidable time delay before the redundancy consequence from the deletion of a post in setting the 2011/12 budget takes effect. The CYP Senior Management Team will endeavour to identify offsetting savings to cover this.

9. The Schools' Budget

Expenditure on schools is funded by Dedicated Schools Grant (DSG) provided by the Department for Education. 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 £89k lower than anticipated due to reduced pupil numbers. The Schools' Budget is projected to be £10k underspent, but overspends and underspends must be carried forward to the following year's Schools' Budget and therefore the £10k underspending has no impact on the Council's General Fund.

EARLY WARNINGS

Volatile Numbers-Driven Services

CYP Department has several large demand-led budgets where spending varies with the number of children or young people.

Of these, SEN Placements, Payments to Private Nurseries and Pupil Referral are in the DSG funded Schools' Budget, and Social Care Placements, Disability Placements, Leaving Care, SEN transport, and YOT are funded within the General Fund. The Department monitors these budgets closely.

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, and it had been assumed that for the current financial year only the Schools' Budget would reduce, since Revenue Support Grant for all Councils was top sliced to take account of this

However, on 19 July notice was received of a consultation on the future funding of schools, and that "The Secretary of State for Education, in consultation with the Secretary of State for Communities and Local Government, has agreed to reconsider the appropriate reduction to local authority funding to be made to reflect the transfer of central services from local authorities to academies and Free Schools.

This consideration will apply to the transfers for both the 2011-12 and 2012-13 financial years."

It is therefore possible that further in-year reductions will be made to RSG funding.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and the Finance Director and, where over £100k, of the Portfolio Holder and report the use of this exemption to Audit Sub Committee bi-annually. Since the previous occasion when exemptions were reported, there have been 14 contracts exceeding £50k but less than £100k and 20 exceeding £100k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in monthly financial monitoring reports to the Portfolio Holder. In 2011/12, no such virements have been approved as at the end of June 2011.

2010/11 Actuals £'000	Division Service Areas	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projection £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
(5,515)	Customer & Support Services							
	Parking	(5,366)	(5,316)	(5,286)	30	1,2	0	100
1,599	Support Services	1,553	1,539	1,539	0		0	0
(3,916)		(3,813)	(3,777)	(3,747)	30		0	100
	Public Protection - ES							
112	Emergency Planning	114	114	114	0		0	0
112		114	114	114	0		0	0
	Street Scene & Green Space							
5,803	Area Management/Street Cleansing	5,975	5,975	5,975	0		0	0
2,165	Highways	0	1,812	1,812				
(65)	Markets	(47)	(47)	(47)	0		0	0
6,225	Parks and Green Space	6,153	6,137	6,180	43	3	0	0
567	Street Regulation	519	519	544	25	4	0	0
16,091	Waste Services	16,893	16,843	16,735	(108)	5	0	(100)
30,786		29,493	31,239	31,199	(40)		0	(100)
	Transport & Highways							
7,860	Highways	9,523	7,811	7,811	0		0	0
147	Highways Planning	144	144	144	0		0	0
(583)	London Permit Scheme	(287)	(287)	(287)	0		0	0
843	Traffic & Road Safety	790	690	670	(20)	6	0	0
216	Transport Strategy	235	235	235	0		0	0
8,483		10,405	8,593	8,573	(20)		0	0
35,465	TOTAL CONTROLLABLE	36,199	36,169	36,139	(30)		0	0
7,136	TOTAL NON CONTROLLABLE	(692)	4,978	4,978	0		0	0
2,516	TOTAL EXCLUDED RECHARGES	2,348	2,301	2,301	0		0	0
45,117	PORTFOLIO TOTAL	37,855	43,448	43,418	(30)		0	0

REASONS FOR VARIATIONS

1. Bus Lane Enforcement Dr £30k

There is a projected shortfall of income of £50k, (full-year effect £100k) as a result of the suspension of bus lane restrictions in Cray Avenue, following the diversion of traffic as a result of the bridge replacement at Chislehurst Road. There is a surplus of £20k due to increased contraventions to partly offset this, giving a net deficit of £30k overall.

2. Off Street Car Parking £0k

Off-street car parking income is projected to be £100k below budget expectation. This is mainly due to reduced demand and parking fees not having been increased to match inflation added to the budget as a result of the normal estimate process, nor the loss of income as a direct result of the increase in VAT.

This projected shortfall is from the four multi-storey car parks where income was £32k below budget for April-June, with the majority (£23k) occurring in April, probably due to the high number of bank holidays.

This projected shortfall in income is offset by £50k savings as a result of management action, and a balance from a provision of £50k no longer required for contract payments following successful negotiations with the parking contractor.

3. Parks & Green Space Dr £43k

There is an overspend on staffing of £49k due to the 2011/12 budget savings of £156k not being fully met in year. This is partly offset by an underspend of £6k due to a reduction in grant to the Chislehurst Common Conservators.

4. Street Regulation Dr £25k

There is an overspend on staffing of £25k due to the 2011/12 budget savings not being fully met in year.

5. Waste Management Cr £108k

Prices for trade waste collections were increased by 15% in April 2011 and 13% in April 2010. For 2010/11 the fall-out of customers equated to 3.8%, however in 2011/12 this percentage has more than doubled, currently 9.75%. When setting the new fees and budgets an assumption was made that there would be reduction of a further 5% of customers and therefore the additional reduction of 4.75% has meant that income is currently projected to be £97k below budget.

It should be noted that this is partly offset by a corresponding reduction in contract collection costs of £20k and £50k for disposal costs due to a projected reduction of 700 tonnes from the decrease in customers.

There is an additional underspend of £128k disposal costs due to a projected reduction of 1,600 tonnes.

There is surplus income of £7k from the Schools recycling service.

This is summarised in the table below : -

Summary of Variations:-	£'000
Shortfall of trade waste collected income due to reduction in customers	97
Corresponding reduction in trade waste collection contract costs	-20
Reduction in disposal tonnages from trade waste collection customers	-50
Reduction in disposal tonnages (other than trade waste collected)	-128
Surplus in income from Schools recycling service	-7
Total variation for waste management	<u>-108</u>

6. Traffic & Road Safety Cr £20k

There is a projected underspend of £20k as a result of transferring staffing costs to Transport for London earlier than previously anticipated.

Waiver of Financial Regulations

There are no waivers to report as at the end of June 2011.

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 monthly financial monitoring reports to the Portfolio Holder. In 2011/12, the following virement has been actioned:

- (a) £50k has been transferred between Parking and Waste, as agreed by the Departmental Management Team.

2010/11 Actuals £'000	Division Service Areas	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projection £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Public Protection							
755	Community Safety	516	516	516	0		0	0
336	Mortuary & Coroners Service	344	344	344	0		0	0
2,891	Public Protection	2,586	2,586	2,586	0		0	0
3,982		3,446	3,446	3,446	0		0	0
3,982	TOTAL CONTROLLABLE FOR PUBLIC PROTECTION & SAFETY	3,446	3,446	3,446	0		0	0
381	TOTAL NON CONTROLLABLE	6	6	6	0		0	0
527	TOTAL EXCLUDED RECHARGES	269	269	269	0		0	0
4,890	PORTFOLIO TOTAL	3,721	3,721	3,721	0		0	0

Waiver of Financial Regulations

There are no waivers to report as at the end of June 2011.

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 monthly financial monitoring reports to the Portfolio Holder. In 2011/12, no such virements have been approved as at the end of June 2011.

2010/11 Actuals £	Division Service Areas	2011/12 Original Budget £	2011/12 Latest Approved £	2011/12 Projection £	Variation £	Notes	Variation Last Reported £	Full Year Effect £
(291)	Adult Education Centres Adult Education Centres	(401)	(401)	(401)	0		0	0
(291)		(401)	(401)	(401)	0		0	0
(142)	Planning Building Control	(31)	(31)	(31)	0	1	0	0
(237)	Land Charges	(275)	(275)	(275)	0	2	0	0
1,208	Planning	979	964	1,004	40	3	0	0
1,401	Renewal	1,371	1,471	1,431	(40)	4	0	0
2,230		2,044	2,129	2,129	0		0	0
2,892	Recreation Culture	2,644	2,659	2,659	0		0	0
5,251	Libraries and Museums	5,327	5,327	5,327	0		0	0
373	Town Centre Management & Business Support	339	392	392	0		0	0
8,516		8,310	8,378	8,378	0		0	0
10,455	TOTAL CONTROLLABLE FOR RENEWAL AND RECREATION	9,953	10,106	10,106	0		0	0
5,310	TOTAL NON CONTROLLABLE	6,777	7,097	7,094	(3)		0	0
2,531	TOTAL EXCLUDED RECHARGES	2,357	2,357	2,357	0		0	0
18,296	PORTFOLIO TOTAL	19,087	19,560	19,557	-3		0	0

REASONS FOR VARIATIONS

1. Building Control £0k

A shortfall of income of £174k is projected due to the recession and is being offset by savings of £174k from management action to reduce costs, including holding 3.5fte vacant.

2. Land Charges £0k

As a result of the Government withdrawing the statutory fee for personal searches in August 2010, the full year effect of the loss of income will be £101k. A request will be submitted to the Executive to draw down part of a contingency which was set aside for the likely event of the withdrawal of this statutory fee which currently has a balance of £162k.

3. Planning £40k

Income from non-major planning applications seem to be decreasing compared to 2010/11, £153k has been received in the first quarter compared to £190k received for the same period in 2010/11. The income is therefore expected to be at least £200k lower than the budget, (an early warning is that this could be as high as £300k).

Income received from major applications for the first quarter is £79k compared to £37k received in the same period in 2010/11. Officers have given details of potential income totalling £136k for the remainder of the financial year, which would give total income of £215k against a budget of £300k.

For information, £393k was received for major applications during 2009/10 and £236k for 2010/11.

Other miscellaneous income looks likely to be £8k below budget for 2011/12

Management action taken includes holding 8 fte posts vacant and reducing spend on running expenses totalling Cr £253k.

Summary of Planning variations	Variation £'000
Effect of holding 8 FTE's vacant within Planning	(203)
Shortfall of income from planning fees	285
Miscellaneous income	8
Underspends on transport and supplies, services from Management action within Planning	(50)
Total variation	40

4. Renewal Cr£40k

Underspend on staffing due to part year effect of early retirement.

Waiver of Financial Regulations

There are no waivers to report as at the end of June 2011.

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Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in monthly financial monitoring reports to the Portfolio Holder. In 2011/12, no such virements have been approved as at the end of June 2011.

2010/11 Actuals £'000	Financial Summary	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
695	Audit	993	993	993	0		0	0
124	Comms	117	117	117	0		0	0
392	Organisation & Improvement	328	328	339	11		0	0
98	Policy & Partnership	85	85	85	0		0	0
	Human Resources							
272	Health & Safety	239	239	245	6		0	0
357	HR Management	322	322	327	5		0	0
561	HR Strategy and L & D	518	518	492	-26		0	0
703	Operational HR	723	758	734	-24		0	0
877	Management and Other (C.Exec)	734	734	734	0		0	0
4,079	Sub Total - Chief Executive's Department	4,059	4,094	4,066	-28		0	0
	RESOURCES DEPARTMENT							
	Financial Services & Procurement							
1,401	Exchequer - Payments & Income	1,338	1,338	1,332	-6		0	0
6,067	Exchequer - Revenue & Benefits	5,558	5,558	5,541	-17		0	0
3,105	Financial Management	2,484	2,484	2,485	1		0	0
429	Procurement	412	412	412	0		0	0
6,305	Information Systems	4,883	4,883	4,883	0		0	0
	Customer Services							
169	Bromley Knowledge	224	224	222	-2		0	0
885	Contact Centre	868	884	885	1		0	0
	Democratic, Electoral & Registrar's							
145	Customer Service Development	93	93	93	0		0	0
1,718	Democratic Services	1,656	1,656	1,675	19		0	0
883	Electoral	366	366	350	-16		0	0
-26	Registrars	-39	-39	-39	0		0	0
	Legal Service & Facilities Support					1		
1,981	Admin. Buildings	1,968	1,926	1,906	-20		0	0
657	Facilities & Support	487	543	531	-12		0	0
1,807	Legal Services	1,672	1,672	1,670	-2		0	0
368	Management and Other	134	134	137	3		0	0
25,894	Sub Total - Resources Department	22,104	22,134	22,083	-51		0	0
	RENEWAL & RECREATION DEPARTMENT							
2,328	Property Services (excl. Investment Property)	1,366	1,366	1,366	0		0	0
3,356	Repairs & Maintenance (All LBB)	3,967	4,715	4,715	0		0	0
-638	Other Rental Income	-648	-648	-653	-5		0	0
5,046	Sub Total	4,685	5,433	5,428	-5		0	0
-3,533	Investment & Non Operational Property Rental Income	-3,693	-3,693	-3,682	11		11	0
1,513	Sub Total Renewal & Recreation Department	992	1,740	1,746	6		11	0
31,486	Total Controllable Departmental Budgets	27,155	27,968	27,895	-73		11	0
-60,137	Total Non Controllable	1,984	1,984	1,984	0		0	0
-23,637	Total Excluded Recharges	-21,244	-21,197	-21,197	0		0	0
-1,775	Less: R&M allocated across other Depts	-2,999	-2,999	-2,999	0		0	0
634	Less: Rent allocated across other Depts	647	647	695	48		4	0
-53,429	Net Departmental Budgets	5,543	6,403	6,378	-25		15	0
	CENTRAL ITEMS (Controllable Budgets)							
9,509	CDC & Non Distributed Costs (Past Deficit etc.)	6,965	6,965	6,905	-60	2	0	0
-43,920	Total Corporate Services/Resources Portfolio	12,508	13,368	13,283	-85		15	0

REASONS FOR VARIATIONS

1. Legal Services & Facilities Support (Cr £34k)

This mainly relates to savings on salaries expected as a result of posts being held vacant to fund future efficiency savings.

2. CDC & NDC (inc Past Deficit) - (Cr £60K)

An underspend of £60k is currently forecast for Compensation for Loss of Office based on a straight line projection. This is in line with previous years, and it has been assumed for now that the savings are ongoing, however this could be offset by any future benefits granted.

3. General Commentary including impact on future years

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

Waiver of Financial Regulations

There are no waivers to report as at the end of June 2011.

Virements Approved to date under Director's Delegated Powers

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Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	£
General						
Provision for risk/investment relating to volume and cost pressures	635,000			635,000	635,000	0
Further increases in fuel costs	600,000			450,000	450,000	(3) Cr 150,000
Provision for uncertainty relating to grant income	565,000			565,000	565,000	0
Provision for uncertain items	500,000			500,000	500,000	0
Carbon tax	386,000			386,000	386,000	0
Grants to voluntary organisations	275,000			275,000	275,000	0
Unallocated inflation provision	93,000			93,000	93,000	0
Net loss of income from proposed sale of car parks	297,000			297,000	297,000	0
Savings from negotiations of key contracts	Cr 250,000			Cr 250,000	Cr 250,000	0
Planning appeals - change in legislation	150,000			150,000	150,000	0
Potential loss of income re land charges and building control (change in regulations)	162,000			162,000	162,000	0
Provision for reduction of local democracy savings	120,000			120,000	120,000	0
Other items	84,000			84,000	84,000	0
Total General Items	3,617,000	0	0	3,467,000	3,467,000	Cr 150,000
Grants included within Central Contingency Sum						
NHS Funding to Support Social Care						
Grant related expenditure	2,176,000			2,176,000	2,176,000	0
Grant related income	Cr 2,176,000			Cr 2,176,000	Cr 2,176,000	0
Lead Local Flood Authorities						
Grant related expenditure	142,000	110,000		32,000	142,000	(1) 0
Grant related income	Cr 142,000	Cr 110,000		Cr 32,000	Cr 142,000	0
Additional Funding for Pothole Repairs (DfT)						
Grant related expenditure	0	419,000			419,000	(2) 419,000
Grant related income	0	Cr 419,000			Cr 419,000	Cr 419,000
Bromley Youth Music Trust (DfE)						
Grant related expenditure	0	362,240			362,240	(1) 362,240
Grant related income	0	Cr 362,240			Cr 362,240	Cr 362,240
Total Grants	0	0	0	0	0	0
GRAND TOTAL	3,617,000	0	0	3,467,000	3,467,000	Cr 150,000

Notes:

(1) Approved by the Executive on 25th May 2011

(2) Approved by the Executive on 6th April 2011

(3) Latest projections for estimated increase in fuel costs is £150k lower than budgeted requirement