

SERVICE COST PRESSURES - 2012/13 - 2015/16

Service	Item	2012/13	2013/14	2014/15	2015/16	Comments
		£'000	£'000	£'000	£'000	
Demand led pressures						
Adults	Transitions	1,300	600	600	600	Children with disabilities accessing social care services transfer into adult social care at age 19 (or later, if in full time education). The costs of providing social care services to children in transition then become a service cost pressure for Adult Social Services. The number of children in transition and the cost of their care vary from year to year. As they often transfer part way through the financial year, the full year effect of their costs is felt in the year following their transfer.
Adults	Mental Health - Placement Costs	693				An increase in demand for high care and supported placements which outweighs the supply offered under existing contracts/SLAs within the Borough has together with the PCT applying more rigorous criteria to the funding of their proportion of section 117 spot purchase placement costs has created a budget shortfall for 2011/12. This shortfall is being covered by one off savings in 2011/12 but will continue into 2012/13.
Adults	Social Care Grant	182				As part of the 2011/12 budget, income from the PCT of £3.414m was built into the Adults budget as part of additional funding received by the NHS to passport to local authorities. For 2012/13 this funding is due to fall by £182k to £3.232m. The funding for 2013/14 onwards remains uncertain
C&F	Social Care - Legal costs	836				Additional legal costs resulting from increased number of referrals in children's social care. Of this £700k was held centrally in 2011/12
E&NS	StreetCare - Street Lighting PFI Additional Lighting	20				Maintenance costs in the Street Lighting PFI continue to increase with new traffic and parking schemes.
R&MP	Housing - Temporary Accommodation	1,134	500			Changes to the Local Housing Allowance regime and HB subsidy for temporary accommodation in April 2011 have already resulted in an increase in homeless demand (a 20% increase in year to date), and our ability to procure cost effective temporary accommodation. The changes in LHA have also significantly impacted on our ability to procure private rented sector property for homeless prevention purposes. This growth bid includes £1m of growth held centrally in 2011/12 and been offset by expected One Council savings on housing needs. These current pressures are expected to increase further from January 2012 onwards, when the current LHA transitional arrangements end. We expect to see a significant further increase in homelessness from this point onwards, with the full impact being in 2012/13.
L&P	Execution and administration of elections	50				Additional workload and increased postal voting.
F&CS	IT - Customer Service Post	55				The IT restructure in 2010/11 consolidated IT teams across the Council. This growth bid relates to an IT manager post in Customer Services which is essential.
F&CS	Benefits Deficit	300	484			The benefits deficit shortfall has arisen because of a number of factors that are outside the control of the service including caseload increase and the outcomes of case interventions following data-matching exercises co-ordinated by DWP. The most significant factor has been a sharp increase in levels of overpayments created during the first quarter of the year - which only attract 40% subsidy. Whilst overpayment recovery has also increased, rates of recovery have not increased in proportion to overpayments created and recovery often take many years to achieve as the Council must recover from tenants at a small amount each week. The high level of overpayment recovery in 2011/12 is not expected to be replicated in 2012/13 and beyond leading to an increased in the shortfall against budget. In addition changes to the subsidy rules for HALs (these previously received full subsidy but are now subject to the same subsidy caps as other types of temporary accommodation). For 2012/13 the growth bid includes £100k for overpayments and £200k for HALs.
F&CS	Benefit Caseload	230	73			Caseload increase arising from the recession - which is circa 2400 additional claims annually (minimum). Additional workloads also forecast from changes in HB legislation that will lead to reductions to levels of LHA for between 500 to 800 claims per month from January 2012 to December 2012.
Total demand led growth		4,800	1,657	600	600	
Price led growth						
Adults	Contractual Price Increases on Lawnfield/Riverview and Meals on Wheels	54				A number of placement contracts in Adult Social Services are index linked. However, the service has managed to avoid associated increase in cost for 2011/12. It is proving difficult not to comply with the index link arrangement for the Lawnfield/Riverview dementia residential care contract and Meals on Wheels for 2012/13. Therefore £15k and £39k will be required respectively to meet the contractual uplifts for these contracts.
E&NS	Contractual Inflation	538				This includes contractual inflation provision for streetlighting and its PFI, parking, Vale Farm Sports Centre, Willesden Sports Centre benchmarking and its PFI and the recycling and waste contract

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F&CS	Capita Contract - Revenues & IT	150				The contract with Capita for revenues and IT requires the Council to pay an annual RPI increment from 1 May every year.
	Total price led pressures	742	0	0	0	
	Loss of income					
C&F	Children's Social Care Grant Reductions	854				The service has received on an annual basis a substantial grant of around £1.4m to support costs associated with Unaccompanied Asylum Seeking Children. The service has a statutory requirement to provide support for these children which will consist of social care interventions, accommodation, subsistence etc. For 2011/12 onwards the grant conditions and method of calculation have been changed significantly reducing the contribution from this grant to the Services costs. The shortfall for a full-year from 2012/13 onwards is £402k. In addition a further grant called the Social Worker Improvement Fund is ceasing from 2012/13 onwards. This grant from the Children's Workforce Development Council has been used to support social worker training and development, much of which will have to continue to be provided by the service even though the grant is due to cease. The loss of grant amounts to £452k.
E&NS	Pest Control	83				From 2011/12 a charge of £95 was introduced for the previously free rat service. Projections about income from rats and additional income from other pest types have not been realised. The current shortfall for income in 2012/13 is projected to be £83k.
R&MP	HRA/General Fund Recharges	60	75	47	50	Impact of stock transfers from South Kilburn and other sites
F&CS	HB Admin Grant Reduction	164	464	546	0	Local authorities receive a grant from the DWP for the costs of administering Housing Benefit and Council Tax Benefit. In 2010/11 Brent received £4.029m. The Government has given an indication that it wishes to reduce this grant by 28% by 2014/15.
F&CS	Summons Income	180	100			Forecast income from Summons is falling due to improvements to Council Tax in year collection
F&CS	Homelessness Grant	25				In 2011/12 £75k was allocated to Tenancy Fraud work from the Homelessness Grant an additional £25k will be required in 2012/13.
F&CS	Payroll and pension charges to schools	250	(100)			Addition monies are being provided to cover the loss of income from schools who opted out of the authority's payroll services and to take action to be more competitive with external providers and retain schools through reducing the charge to schools.
	Total pressures due to loss of income	1,616	539	593	50	
	GRAND TOTAL - DEMAND, PRICE AND LOSS OF INCOME LED PRESSURES	7,158	2,196	1,193	650	
	CUMULATIVE GRAND TOTAL - DEMAND, PRICE AND LOSS OF INCOME LED PRESSURES	7,158	9,354	10,547	11,197	