

## SERVICE COST PRESSURES - 2011/12 - 2014/15

Service	Item	2011/12	2012/13	2013/14	2014/15	Comments
		£'000	£'000	£'000	£'000	
<b>Demand led pressures</b>						
C&F	Children's Social Care - Placements	1,800				The social care purchasing budget has been under pressure for a number of years and has been subject to an invest to save scheme since 2007. In this time, real terms costs of the placements has reduced by £1.6m since 2005/06. However, at the at the time that the Invest to Save project was started, placements were overspending by £2m. The savings flowing from the Invest to save project never managed to reduce expenditure down to the budgeted level for a number of reasons. The service has experienced a 24% increase in referrals, 57% in child protection investigations and 40% increase in child protection plans. The original invest to save scheme did not take into account the increase in adoptions, special guardianship orders and residence orders. The in-house fostering service has not delivered the increase in in-house carers necessary to reduce IFAs and the service is currently being reviewed in an effort to increase the numbers from 75 back up to 95 though recruitment is a lengthy process.
C&F	Integrated Service for Children with Disabilities	300				All services provided as part of child/family assessment can be taken as a direct payment. The personalisation agenda has been promoted by government and the Aiming High for disabled programme over the last three years which has given rise to increasing rise in demand . Local authorities from April 2011 will have a duty to provide short breaks to families with disabled children. These can be provided by Direct Payments and more families are requesting this. The number of families requesting DP has risen by over 50 % this year from less than 10 new requests in in 2009/10 to over 30 so far this is year. Currently there are 100 families receiving Direct Payments. Some of the cost will be covered by a reduction in families requesting LA commissioned domiciliary care through Care at home AC 45, but there is a significant net increase in the volume of families entitled either to Direct Payments or Care at Home.
F&CR	Housing Benefit Subsidy	500				Because of the huge increase in expenditure, the loss to the Council from the subsidy penalties has also increased substantially. It is anticipated that there will be an overspend in the net HB subsidy of at least £500,000 in 2010/11, and this is very likely to continue in to 2011/12.
F&CR	HB Service Caseload Increases	292				These increases are forecast to have reached 20% over two years by the end of 2010/11 and are also forecast to rise by 10% in 2011/12.. The caseload increases have been mitigated by the redesign of the service and transitional funding from the One Council Programme which will end in March 2011. This original growth of £518k bid has been reduced by £226k to £292k by transferring customer service officers from the OSS to R&B. Current analysis shows there is capacity within OSS to accommodate this transfer.
L&P	Execution and administration of elections		50			Additional workload and increased postal voting.
E&NS	Streetcare	23				These are the addition full year costs of the 2010/11 growth bid for additional rounds to collect organic waste for 6 months of the year (£60k) and more resources are required for the collection of clinical waste (£46k). There are additional costs for CCTV for contract monitoring, line rental and maintenance (£53k). The energy costs for extra illuminated street furniture (£50k) will also need to be funded.
E&NS	StreetCare - Street Lighting PFI Additional Lighting	20	20			Maintenance costs in the Street Lighting PFI continue to increase with new traffic and parking schemes increasing the stock of illuminated signs and bollards.
H&CC	Adult Social Care	3,500				Realignment of the the Adults Social Care Budget. Original projections forecast an overspend in excess of £7m for 2010-11. A significant amount of work has been done to reduce this. At the time of writing, the forecast overspend is £1.46m, and further areas are being reviewed to seek to eliminate this overspend. Many of the measures to reduce the overspend in 2010-11 are one-off, and the ongoing pressure on the budget is £3.5m. There are a number of factors effecting this forecast, and these include under budgeting in previous years, client numbers rising and the severity of support being required, costs rising above inflation, and expected income levels not being achieved.
H&CC	Concessionary Fares	2,138				The amount Brent pays in concessionary fares has increased from £10,035m in 2010/12 to £13.767m in 2011/12. Part of this increase is accounted for by the concessionary fare specific grant which TfL use to receive being transferred to local authorities through formula funding. For Brent this amounted to £1.594m. The significant increase is due to the above inflationary increases in fares in 2010/11 and 2011/12. The effect on the 2010/11 increase was partly offset by an agreement reached between the London boroughs and TfL to limit increases however the Mayor has recently withdrawn from this agreement which has led to higher charges coming through in 2011/12. In addition the move to charging by usage rather number of passes issued has also increased costs as the transition period is now over.

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	Carbon Tax	432				New scheme introduced to encourage large organisations to reduce carbon emissions. Payment is for number of credits used within the previous year. Estimated by London Energy Project to be £432k for Brent in 2011/12.
	<b>Total demand led growth</b>	<b>9,005</b>	<b>70</b>	<b>0</b>	<b>0</b>	
	<b>Price led growth</b>					
C&CE	Budget Shortfall	100				Shortfall of £60k on NI funding and £40k on current structure
E&NS	Contract inflation	308				This includes inflation provision for the Waste Service Contract (£15.5m), Street Trees Contract (£652k), Vale Farm Sports Centre Contract (£369k), Parking Contract (£4m), Willesden Sports Centre and Streetlighting PFI contract (£2.6m)
	Centrally-held Growth	2,000				Increased legal costs for Children & Families Social Care ; changes to Housing Benefit scheme having adverse impact on Temporary Accommodation budgets; cost of transferring clients with social care needs from Children & Families to Adult Social Care.
	<b>Total price led pressures</b>	<b>2,408</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>Loss of income</b>					
C&CE	The Brent Magazine	150				The deletion of the job shop has resulted in a shortfall on the income for the additional 6 issues of the Brent Magazine.
C&CE	Language Shop	24				This budget has now been consolidated across the Council and there is currently a shortfall in income in 2010/11 which is likely to continue into 2011/12.
F&CR	HB Admin Grant Reduction	75	634	297	297	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 30% by 2014/15.
F&CR	Reduction in Summons Costs collected	300				A combination of increased CT collection levels, higher CT Benefit claimants and reduced summons costs collection levels results in a forecasted loss of income for 2011/12 of £300k.
R&MP	Planning Deficit	350				Pressures from a shortfall in planning income and effects of the loss of the Planning Delivery Grant. Any overspends have previously been covered from within the Environment service area.
E&NS	Bulky Waste - Repeal of £25 Charge	290				Seeks to cover the cost of reversing the Veolia Contract Variation and removing the income target. The calculation is £205,000 (at 2010-11 prices), plus estimated contractual inflation, thus £209k; plus returning the £81k income target to zero. This totals £290k.
H&CC	HRA/General Fund Recharges	0	385			Impact of stock transfers from South Kilburn and other sites
	<b>Total pressures due to loss of income</b>	<b>1,189</b>	<b>1,019</b>	<b>297</b>	<b>297</b>	
	<b>GRAND TOTAL - DEMAND, PRICE AND LOSS OF INCOME LED PRESSURES</b>	<b>12,602</b>	<b>1,089</b>	<b>297</b>	<b>297</b>	
	<b>CUMULATIVE GRAND TOTAL - DEMAND, PRICE AND LOSS OF INCOME LED PRESSURES</b>	<b>12,602</b>	<b>13,691</b>	<b>13,988</b>	<b>14,285</b>	