

Report to: EXECUTIVE CABINET MEMBER –
DEPUTY LEADER

Date: 12th March 2018

Report of: Director of People
Borough Treasurer

Report
No:

Contact Officer: Lisa Butcher, Head of Finance
Department of People

Tele No: 01204 336818

Report Title: **Strategic Budget Report – Department of People – 2018/19**

Non Confidential: **(Non-Confidential)** This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose: To note the revenue and capital budgets for 2018/19 for Children's, Adults and Public Health Services

Recommendations: It is recommended that:

- The Deputy Leader notes the proposed revenue budget for:
Children's Services – LA block £53,058,800
Adult Services £70,641,500
Public Health Services £19,352,000
- The Deputy Leader notes the capital programme for:
Children's Services £38,062,701
Adult Services £ 268,000

Decision:

Background Doc(s): Dedicated Schools Grant (DSG) Budget Report 2018/19

(for use on Exec Rep)

Signed: _____
Leader / Executive Member

Monitoring Officer

Date: _____

Summary:

This report outlines the Department of People Revenue Budget for the 2018/19, including an analysis of how the budget has been prepared and assumptions that have been taken.

In addition, the report includes the capital programme for the period 2018/19.

1 Introduction

This report outlines the 2018/19 revenue and capital budgets for the Department of People.

2 Background and Financial Context

Bolton Council is still facing a very challenging financial period. On the 7th November 2016, the Council's Cabinet approved the start of consultation on a programme of savings covering the years 2017-19. The Council subsequently approved savings options in February 2017, following the December 2016 Local Government settlement, in order to meet an increased savings target of £12.5m for the 2017-19 period.

This report outlines revenue and capital budgets for Children's, Adults and Public Health Services for the 2018/19 financial year. This is the second year of a 2 year savings programme which amounts to £6.485m. Budgets will be amended during the year when reviews are realised.

3 Revenue Budget – Children's Services

The local authority funded revenue budget for Children's Services, amounts to £53.059m. In addition, the element of the budget to be funded by Dedicated Schools Grant, Pupil Premium and Sixth Form funding amounts to £186.796m. Therefore, the total proposed budget for Children's Services for 2018/19 amounts to £239.855m.

The dedicated schools budget report was presented at Schools Forum on the 12th January 2018 and approved at Executive Member on the 12th February 2018.

Table One below provides an objective analysis of the budget across the functions within the Children's Services Department and across Schools Budgets.

3.1 Table One – Children's Services Net Revenue Budget 2017/18 and 2018/19, Analysed by Service

	2017/18 £000's	2018/19 £000's
<u>Local Authority Block</u>		
• Departmental Financial Arrangements	2,256	5,009
• Education and Learning	2,798	5,978
• Performance , Planning & Resources	3,887	3,729
• Positive Contributions	1,463	717
• Staying Safe	34,468	34,188
• Children's Transport	<u>3,169</u>	<u>3,438</u>
Total Local Authority Block	48,041	53,059
<u>Schools Budgets</u>		
• Schools Block	144,016	117,560
• Central School Services Block	1,799	1,850

• Early Years Block	19,281	20,075
• High Needs Block	27,472	32,186
• Pupil Premium	13,287	11,701
• EFA Sixth Form Funding	<u>6,300</u>	<u>3,424</u>
Total Schools Budgets	212,155	186,796
Total Children's Services	260,196	239,855

4. Revenue Budget – Adult Services

The local authority funded revenue budget for Adult Services, amounts to £70.642m for 2018/19.

Table Two below provides an objective analysis of the budget across the functions within the Adult Services.

4.1 Table Two – Adult Services Net Revenue Budget 2017/18 and 2018/19 Analysed by Service

	2017/18 £000's	2018/19 £000's
• Departmental Financial Arrangements and Policy, Performance and Resources	4,927	9,124
• Older Adults	20,707	19,350
• Integrated Services	-96	82
• Learning and Physical Disabilities	26,002	25,416
• Mental Health	4,543	4,510
• Care Management	9,274	10,278
• Supporting People, Across Client Groups	<u>2,651</u>	<u>1,882</u>
Total Adult Services	68,008	70,642

During 2017/18 the service has realigned budgets to reflect the changing cost of the services and this has resulted in the change year on year within the service analysis.

5. Revenue Budget – Public Health

The local authority funded revenue budget for Public Health Services, amounts to £19.352m.

Table Three below provides an objective analysis of the budget across the functions within the Public Health Service.

Table Three – Public Health Services Net Revenue Budget 2017/18 and 2018/19, Analysed by Service

	2017/18 £000's	2018/19 £000's
• Public Health Core	1,538	3,664
• Health Improvement	472	69
• Commissioning / Strategy	<u>18,032</u>	<u>15,619</u>
Total Public Health Services	20,042	19,352

6. Variance Analysis

Appendices A, B, C to this report outlines a service specific detailed variance analysis of changes between the original budget for 2017/18 and the proposed budget for 2018/19. This section explains individual items in more detail.

6.1 Total Approved Budget 2017/18

The total approved budget set for People's Services for 2017/18, prior to in year budget adjustments and including recharges made to the Department from other departments within the Council is as follows:

Children's Services	£48.041m
Adult Services	£68.008m
Public Health Services	<u>£20.042m</u>
Total	£136.091m

6.2 Deduction of Recharges and In Year Adjustments (-£8.413m)

In order to identify the Department's controllable budget, recharges have been excluded from the budget.

Children's Services	-£5.337m
Adult Services	<u>-£3.076m</u>
Total	-£8.413m

6.3 Total Controllable Budget 2017/18

The budget for which People Services have control in 2017/18 is as follows:

Children's Services	£42.704m
Adult Services	£64.932m
Public Health Services	<u>£20.042m</u>
Total	£127.678m

6.4 Budget Virements (£0.075m)

The table below represents budget transfers to / from and within People services, as a result of various virements to, from and within other Departments. The details are shown below:

Budget Virements £000	Adults	Children's	Public Health	Total
FOI Posts Transferred to Corporate		-67		-67
Finance Posts Transferred From Corporate		207		207
Transfer to Corporate Services		-15		-15
Recharge Adjustments within Department	-1,782	1,787	-5	0
Base Building Transfer to CPS		-52		-52
Insurance	2			2
Total Adjustments	-1,780	1,860	-5	75

6.5 Inflationary increases (£3.625m)

Inflation has been included within the budget in relation to pay awards, increases in relation to additional pension costs, price increases and increases in income.

6.6 Public Health Reduction (-£0.573m)

Within 2018/19 financial year, a reduction of £0.573m has been identified, under the previous Public Health Grant.

6.7 Adult Social Care Precept (£2.072m)

As part of the 2017/18 settlement Councils were given the option to increase the Adult Social Care Precept by a maximum of 6% over three financial years 2017/18 to 2019/20, with any one year limited to a 3% increase. The decision has been made to increase 2018/19 by 2%.

6.8 Adult Social Care Support Grant (£0.869m)

The department has received additional support from the Government by way of a Section 31 Grant. The grant will not be ring-fenced, which means there will be no conditions or reporting requirements attached to it. However, the Secretary of State indicated that he would expect to see councils use it to build on their progress so far in supporting sustainable local care markets.

6.9 Children's Services (£1.036m)

Funding in recognition of the demand relating to Looked After Children. There is a small cohort of young people with complex needs that require expensive placements. Work is being undertaken to ensure value for money and appropriate places but growth in this area is expected.

6.10 SLA Adjustment (-£0.016m)

Service Level Agreement with Corporate HR and Bolton Cares has been changed resulting in a budget reduction.

6.11 Controllable Budget 2018/19

The proposed controllable budget for People Services in 2018/19 is as follows:

Children's Services	£48.550m
Adult Services	£67.083m
Public Health Services	<u>£19.132m</u>
Total	£134.765m

6.12 Recharges (£8.288m)

Cost of recharges to services within the Department for the provision of central services.

6.13 Strategic Budget – 2018/19

The strategic budget for Peoples Services is as follows:

Children's Services	£53.059m
Adult Services	£70.642m
Public Health Services	<u>£19.352m</u>
Total	£143.053m

6.14 Schools Budget

The total proposed budget amounts to £117m and is distributed across the school sectors as outlined in Table Two below.

Table Two Schools Delegated Net Revenue Budget 2017/18 and 2018/19, Analysed by Service

	2017/18 £'000	2018/19 £'000
<u>Schools Block</u>		
• Primary	85,017	85,787
• Secondary	58,999	31,773
Total Delegated Schools' Budgets	144,016	117,560

A detailed report on schools funding was presented to Schools Forum on 12th January 2018.

7 Savings and Efficiencies

7.1 Since 2010, Bolton Council has had to find savings of over £100m, as a result of a reduction in central government grants and other income, whilst still being required to set and deliver a balanced budget. Ongoing austerity policies and other changes to Local Government funding mean that this situation is set to continue, resulting in the Council facing some very difficult decisions and a potential for fundamental changes to how services are delivered.

7.2 In February 2017, following consultation, the Council approved further savings options of £12.5m for the 2017-19 period. Given the significant budget reductions already achieved, these further savings will be extremely challenging, and will result in a reduction in staffing and resources across the Council that will inevitably impact on the services provided. Despite this, the Council remains committed to its core priorities of:

- Protecting the most vulnerable in the Borough
- Supporting economic development.

7.3 The People's Department savings programme of £6.485m was identified in the February 2017 budget report to Council. Progress is detailed in appendices D, E and F. Budgets will be amended during the year when reviews are realised.

7.4 As part of the budget setting process savings have been identified and achieved in respect of the following savings options:

Digitalisation £150k

A review has been undertaken on budget areas where savings can be realised from digital solutions. Many small savings across a large number of service areas has amounted to £150,000. The options for the remainder of this saving option will follow in 2018/19.

8 Capital Programme

Appendices G and H details the Department's capital programme, which totals £38.331m in the 2018/19 financial year.

Children's Services	£38.063m
Adult Services	<u>£ 0.268m</u>
Total	£38.331m

The Children's Capital programme is significantly greater in 2018/19 as a result of necessary expansion programmes within schools. Additional funding and allocations brought forward due from the ESFA have been assumed within the financing figures.

9 ASSESSMENT OF RISK

People Services operates a process of annual risk assessment, alongside quarterly risk monitoring. The outcome of this process has been considered as part of the budget setting process.

10 ASSESSMENT OF EQUALITY IMPACT

This report is for information purposes only and therefore does not require an Equality Impact Assessment.

10 CONCLUSIONS

This Strategic Budget Report outlines a net budget for the following services:

Children's Services	£53.059m
Adult Services	£70.642m
Public Health Services	<u>£19.352m</u>
Total	£143.053m

11 RECOMMENDATIONS

It is recommended that:

- The Deputy Leader notes the LA revenue budgets for the following services:

Children's Services – LA block	£53,058,800
Adult Services	£70,641,500
Public Health Services	£19,352,000

- The Deputy Leader notes the capital programme for 2018/19 totaling £38,330,701.

Children's Services Variation Analysis 2017/18 to 2018/19

	£'000	£'000
TOTAL APPROVED BUDGET 2017/18		48,041
Less Recharges		-5,337
CHILDREN'S SERVICES CONTROLLABLE BUDGET 2017/18		42,704
Inflation adjustments		
· Pay	954	
· Prices	704	
· Income	-207	
Total Inflation Adjustments		1,451
Other Adjustments		
· Recharge Adjustments	991	
· Movements within Department of People	2,295	
· Movements to Corporate	72.6	
· Children's Growth	1,036	
Total Other Adjustments		4,395
CHILDREN'S SERVICES CONTROLLABLE BUDGET 2018/19		48,550
Plus Recharges		4,509
CHILDREN'S SERVICES STRATEGIC BUDGET 2018/19		53,059

Adult Services Variation Analysis 2017/18 to 2018/19

	£'000	£'000
TOTAL APPROVED BUDGET 2017/18		68,008
Less Recharges		-3,076
ADULT SERVICES CONTROLLABLE BUDGET 2017/18		64,932
Inflation adjustments		
Pay	584	
Prices	1,639	
Income	-427	
Total Inflation Adjustments		1,796
Other Adjustments		
· Recharge Adjustments	-987	
· Movements within Department of People	-1,585	
· Movements to Corporate	-14.4	
· Adult Social Care Precept	2,072	
· Adult Social Care Support Grant	869	
· S31 - Improved BCF – Expenditure	2,847	
· S31 - Improved BCF – Income	-2,847	
Total Other Adjustments		355
ADULT SERVICES CONTROLLABLE BUDGET 2018/19		67,083
Plus Recharges		3,559
ADULT SERVICES STRATEGIC BUDGET 2018/19		70,642

Public Health Services Variation Analysis 2017/18 to 2018/19

	£'000	£'000
TOTAL APPROVED BUDGET 2017/18		20,042
Less Recharges		0
PUBLIC HEALTH CONTROLLABLE BUDGET 2017/18		20,042
Inflation adjustments		
· Pay	12	
· Prices	370	
· Income	-4	
Total Inflation Adjustments		378
Other Adjustments		
· Recharge Adjustments	-5	
· Movements within Department of People	-710	
· Public Health Grant Reduction 18-19	-573	
Total Other Adjustments		-1,288
PUBLIC HEALTH SERVICES STRATEGIC BUDGET 2018/19		19,132
Plus Recharges		220
PUBLIC HEALTH SERVICES STRATEGIC BUDGET 2018/19		19,352

2017-19 Budget Options – Children’s Services

Savings Option	Budget Saving £000	Status
Review of Corporate Parenting Board Officer/Virtual Schools Manager role	61.9	Due 2018/19
Financial remodelling and efficiencies of children’s residential and respite provision	75	Achieved
Review and redesign of the Leaving Care Service	53	Achieved
Review of controllable budgets at Bolton Science Technology Centre	65	Due 2018/19
Review and redesign of Connexions	115	Achieved
Review and redesign of Early Intervention & Associated Services	115	Due 2018/19
Review and redesign of Secondary Education Improvement Services	65	Achieved
Review and redesign of Primary Education Improvement Services	230	Achieved
Development of an Asset Management traded service	50	Achieved
Review of Workforce Development	80	Due 2018/19
Review of Positive Activities, free play service and youth service provision	300	Due 2018/19
Review of Positive Activities Sport Development provision	115	Achieved
Review of Grants to the independent and voluntary sectors	180	Achieved
Creation of Integrated Commissioning & Provider Service	100	Achieved
Redesign and restructure of back office support services within PPR	150	Achieved
Review of business support including development of digitalisation options	300	Achieved
Management of Cash Limited budgets	185.1	Achieved
ICT system rationalisation	100	Achieved
Review of nursery service provision	40	Achieved
Total Savings	2,380	

2017-19 Budget Options – Adult Services

Savings Option	Budget Saving £000	Status
Review and re-provision of Commissioned Day Services	200	Achieved
Reconfigure and develop new partnership delivery model for Heaton Fold	150	Due 2018/19
Develop a new Learning Disability Supported Housing Strategy and re-model provision	250	Achieved
Review of the fairer charging policy; including the charging cap and weekly charges	550	Achieved
Ongoing service delivery efficiencies – Bolton Council’s provider services to deliver ongoing efficiencies in line with national requirements, some remodelling of care hours will be involved	445	Achieved
Income generation through remodelling to create discharge to assess capacity in line with national requirements	250	Achieved
Review and re-provision of external extra care housing	160	Achieved
Review of Community Meals charges	100	Achieved
Total Savings	2,105	

2017-19 Budget Options – Public Health Services

Savings Option	Budget Saving £000	Achieved?
Review the early years intervention in Children’s Public Health Services	545	Due 2018/19
Review oral health prevention services	180	Achieved
Review Council provided Public Health programmes - Get Active	50	Achieved
Review Council provided Public Health programmes Comm capacity	40	Due 2018/19
Review/redesign Public Health workforce	269	Due 2018/19
Review sexual health and contraceptive services	160	Due 2018/19
Review/redesign smoking cessation provision	46	Achieved
Review substance misuse service	100	Achieved
Review/redesign local and GM voluntary sector services	80	Achieved
Review/reduce contribution to the GM Manchester Public Health Network	66	Achieved
Review School Meals Subsidy	75	Achieved
Review Council contribution to Think Positive	180	Achieved
Review Food and Health Service	118	Achieved
Review community weight management service	91	Achieved
Total Savings	2,000	

Children's Services Capital Programme 2018/19

Scheme	2018-2019
	£
Building Maintenance Plan	1,960,000
School Capital Support Fund	100,000
Schools Access Initiative	100,000
Devolved Formula Capital	
All Schools	1,000,000
Expansion Programmes	
Primary Expansion Programme	9,700,000
Special Expansion Programme	4,250,000
Secondary Expansion Programme	18,700,000
Primary Places	250,000
Other	
Children Centres	500,000
Youth and Play Centres	500,000
Free Breakfast Clubs	210,504
Leisure and Youth Provision Cabinet	452,197
Early Years	
Two Year Old Funding	250,000
Children Social Care	
Children Social Care	90,000
Total	38,062,701
Financing	
Basic Need Allocations	32,650,000
Devolved Formula Funding	450,000
Devolved Formula Funding Carried Forward	550,000
Schools Condition Grant	2,103,000
Schools Condition Grant Carried Forward	57,000
Capital Grants EFA Carried Forward	250,000
Two Year Old Capital Funding	250,000
Start Well Capital Reserve	500,000
Revenue Contributions to Capital	296,701
Revenue Contributions to Capital - Corporate	956,000
Total Financing	38,062,701

Adult Services Capital Programme 2018/19

Scheme	2018-2019
	£
Day Care	80,000
Supported Housing Developments	188,000
Total	268,000
Financing	
Adult Services Capital Reserve	268,000
Total Financing	268,000