

Bolton Council

Report to:	Executive Cabinet Member – Leader's Portfolio Stronger Communities		
Date of meeting:	16 th August 2022		
Report of:	Deputy Chief Executive	Report number:	32054 32056
Contact officer:	Janet Pollard, Head Finance	Telephone number	01204 336710
Report title:	Directorate of Corporate Resources – Finance Report 2021/22 – Final Outturn		
Not confidential			
This report does not contain information which warrants its consideration in the absence of the press or members of the public.			
Purpose:	This report provides the Executive Cabinet Member with information relating to the financial final outturn position for the Directorate of Corporate Resources in 2021/22 financial year.		
Recommendations:	<p>The Executive Cabinet Member is recommended to:</p> <ul style="list-style-type: none"> • Note the financial outturn position of the Directorate. • Note the key findings in the report. • <p>The Executive Cabinet Member Leaders Portfolio is recommended to:</p> <ul style="list-style-type: none"> • Approve the proposed anti-poverty budget for 2022/23 of £172,414, to be funded from funds held in the anti-poverty reserve. • Approve the savings identified within this report 		
Decision:			
Background documents:			
Signed:	Leader/Executive Cabinet Member	Monitoring Officer	
Date:			

Consultation with other officers		
Finance	Yes	Katherine Roscoe/Janet Pollard
Legal	No	
HR	No	
Equality Impact Assessment required?	No	
(a) Pre-consultation reports Is there a need to consult on the proposals?		No
(b) Post consultation reports Please confirm that the consultation response has been taken into consideration in making the recommendations.		No
Vision outcomes Please identify the appropriate Vision outcome(s) that this report relates or contributes to by putting a cross in the relevant box.	1. Start Well	
	2. Live Well	
	3. Age Well	
	4. Prosperous	X
	5. Clean and Green	
	6. Strong and Distinctive	

Summary:

This report outlines the financial final outturn position in respect of the Directorate of Corporate Resources for the 2021/22 financial year.

Key Issues:**Revenue Expenditure:**

The final outturn position for the Directorate of Corporate Resources is an overspend of £533,000 after planned reserve movements.

Capital:

Directorate of Corporate Resources has no current capital programme.

Reserves:

The Directorate has earmarked reserves of £8,741,107 at final outturn.

Efficiency targets:

Budgeted savings for 2021/23 for the Directorate of Corporate Resources are £7.431m.

Risk:

Specific areas of financial risk relate to loss of income.

1 Introduction

This report provides the Executive Cabinet Member with the financial final outturn position relating to the Directorate of Corporate Resources for the 2021/22 financial year.

The information covers financial information and risks for the department.

2 Revenue expenditure

2.1 Revenue budget

The approved revenue budget for the Directorate totals:

Table One: Directorate of Corporate Resources – Approved revenue budget 2021/22

	£'000
Original Approved Budget 2021/22	14,191
Less Recharges 2021/22	10,387
Original Manager's Controllable Budget 2021/22	24,579
Q1 - Training Post	42
Q1 - ICT	500
Q3 - Halliwell UCAN transfer to CPS CLM	-62
Q3 - Transfer of Technician Post from Place Directorate	31
Q4 - 2021/22 Pay Award	302
Total adjustments	813
Adjusted Manager's Controllable Budget as at Quarter 4	25,392
Revised Recharges 2021/22	10,326
Adjusted Budget as at Quarter 4	15,066

Executive Portfolio	Adjusted 2021/22 Quarter 4 budget
	£'000
Leader's	13,192
Stronger Communities	1,874
Total	15,066

2.2 In year revenue changes

There has been one budget adjustment made in the final quarter of 2021/22.

- Additional budget to cover 2021/22 Officers pay award

2.3 Financial outturn position

Table Two outlines the Directorate of Corporate Resources' financial position, as at the 31st March 2022.

Table Two— Corporate Resources Financial Position - 2021/22 Final Outturn

Portfolio	Latest Budget 21-22 £'000	Net Recharges £'000	Controllable Budget £'000	Projected Expenditure £'000	Net Variance £'000
<u>Executive Cabinet Member - Leader's Portfolio</u>					
Chief Executives DLT	338	(684)	1,022	1,042	20
Financial Management	1,693	(3,150)	4,843	4,680	(163)
Revenue, Benefits and Customer Services	5,064	554	4,510	4,341	(169)
Legal & Democratic	4,871	(89)	4,960	4,815	(145)
HR and OD	(352)	(1,993)	1,641	1,620	(21)
Transformation	1,133	(4,704)	5,837	6,926	1,089
Policy, Performance & Communications	445	(441)	886	886	0
	13,192	(10,507)	23,699	24,310	611
<u>Executive Cabinet Member - Stronger Communities</u>					
Voluntary and Community Strategy (Including Notional Rents)	782	0	782	778	(4)
Community Safety	442	59	383	323	(60)
Neighbourhood Mgt	350	121	229	215	(14)
Neighbourhood Mgt Programme	300	0	300	300	0
	1,874	180	1,694	1,616	(78)
Directorate of Corporate Resources Total	15,066	(10,327)	25,393	25,926	533

2.4 Variance analysis

The overall financial position for the directorate after planned movement to reserves is an overspend of £533k.

Four key variances identified at year end are:

Transformation - ICT £1,089,000

Financial demands placing pressure on the ICT budget which were evident in 2020/21 continued throughout 2021/22. After redirection of resources, they are now at a lower but not insignificant level. The demands remain around volume of electronic storage being used by the council is more than the levels included within the ICT managed service contract. In addition, there was increased budgetary pressures on software license expenditure and ICT security. Work continues to be undertaken to reduce or mitigate these pressures.

Financial Management -£163,000

Underspend on staffing from vacancies across division.

Revenue, Benefits and Customer Services -£169,000

One off refund of summons court fees following revision to HMCS charging structure.

Legal & Democratic Services -£145,000

There are a number of small variances across the division. These are being held to fund upcoming financial pressures.

2.5 COVID-19

Financial impact - £1,417k

The ongoing effect of the global COVID-19 pandemic in 2021/22, including the second lockdown period continued to impact on services' income and expenditure.

Within Corporate Resources, significant additional operational costs have been incurred as a result of revised working arrangements, in particular additional IT costs resulting from delayed implementation of system upgrades. Support from specific COVID grants and National COVID emergency funding has been used in the impacted areas to meet those budget variances attributed to COVID-19 for lost income or additional expenditure.

3 Savings and efficiency target

- 3.1** In setting the Strategic Budget for the year, the Directorate of Corporate Resources was required to implement £7.431m of saving and efficiency reductions over the 2021/23 financial years. Over the course of the year £6.484m savings have been approved for implementation. Whilst working through the savings programme, the savings from Human Resources is not appropriate at this time, due to increased demands on the service. As a result, the Directorate has reviewed all the budgets across its area of responsibility and propose to substitute this with cash limited budgets across the whole Directorate. Proposals for the remaining balance of £551k will be brought forward in reports over the coming year. Action is being taken to implement the reductions and ongoing monitoring of expenditure against specific options will continue to be incorporated into the financial monitoring.

Appendix A provides details of the full Directorate Savings Programme.

4 Reserve movements

Outlined below are the movements in the Directorate's reserves for 2020/21.

Table Three – Corporate Resources reserves position 2020/21

Reserves	Opening Balance 21/22	Anticipated movements in Year	Closing Balance 21/22
<u>Leader's Portfolio:</u>	£	£	£
Elections	-121,000	21,000	-100,000
Marketing	-593,096	-194,150	-787,246
Personnel Reserve	-352,313	0	-352,313
Policy & Projects	0	-201,956	-201,956
Financial Services	-39,237	0	-39,237
Anti-Poverty (Inc. Local Welfare Provision)	-398,486	-52,530	-451,016
Departmental Reserve General	0	-2,915,854	-2,915,854
Total Leader's Portfolio	-1,504,132	-3,343,490	-4,847,622
<u>Stronger Communities Portfolio:</u>			
Voluntary Community and Social Enterprise Strategy Funding	-1,945,747	-567,847	-2,513,595
Perpetrator Programme	-30,371	0	-30,371
Greater Manchester PCC	-84,118	-11,904	-96,022
Hate Crime Awareness	-10,500	0	-10,500
Controlling Migration Fund 19/20	-23,377	0	-23,377
Community Safety	-325,135	75,581	-249,554
Neighbourhood Management	-785,583	-144,928	-930,511
Halliwell N mgmnt	-31,600	0	-31,600
Farnworth Neighbourhood Mgmnt cont	-7,956	0	-7,956
Total Stronger Communities Portfolio	-3,244,387	-649,098	-3,893,485
Total Corporate Resources Directorate	-4,748,519	-3,992,588	-8,741,107

There was a net increase in reserves of £3,992,588 of reserves in 2021/22, giving the Directorate a balance of £8,741,107 reserves at year end earmarked to services as shown in Table Three above.

Within the Leader's portfolio reserves increased by £3.3m in year to give a closing balance of just over £4.8m. £2.9m of this increase held in a general reserve arose from funding received for welfare provision in 2021/22 that was not disbursed until after 31st March.

Within the Stronger Communities portfolio reserves increased by £649k in year to give a closing balance of £3.9m. The significant items contributing to this increase are

funds received for Voluntary Community enterprises and underspends from the Local Welfare Provision budget which are held in reserves to fund future years Anti-poverty budgets

Marketing Events were cancelled or postponed in 2021/22 and funding has been carried forward to support events following exit from COVID restrictions.

The Voluntary Community and Social Enterprise Strategy reserve has increased over the year to be utilized within the future wider Bolton Fund programme.

5 Anti-Poverty Budget

Since 2013 the Council has implemented an anti-poverty strategy alongside the Local Welfare Provision Scheme delivered on behalf of the government. The anti-poverty strategy assists in managing demand on the Local Welfare Provision by providing advice services on money, debt and benefits in addition to direct support for food and household goods. There is no permanent budget for funding of Anti-poverty services. Funding has been allocated on a one-off basis in year from underspends across the service and reserves.

Approval is sought to agree the proposed budget for Anti-poverty services in 2022/23 at £172,414 as set out in table four below. The costs can be met from reserves held and brought forward for anti-poverty services at 31st March 2022.

Table Four - Annual costs of delivering the Anti-Poverty offer in 2022/23

Service	22-23 Required Budget	Details
Money Skills Service	£28,387	Money Advisor Support (1)
	£72,862	Money Advisor (2)
	£34,486	Additional Management costs
The Welfare Rights Service	£36,679	Full Time Welfare Rights Officer
Total	£172,414	

6 Capital Programme

The Corporate Resources Directorate currently has no capital programme. Any previous approvals for building related works have now been transferred to Directorate of Place as part of the corporate landlord function.

7 Financial Risks

There are a number of financial risks facing the Directorate.

Income

The Directorate's budget contains a number of areas that rely on income. Close monitoring of income is taking place.

As all schools consider moving to a Multi Academy Trust model in line with the recently published white paper, the implications on the directorate's schools offer is being considered.

COVID

The Directorate has seen a financial impact as a result of the Pandemic. These areas are being monitored closely. In the previous two years additional costs and lost income has been offset by Government Grant the Council has received. Moving forward there is currently no further COVID Support funding expected from the Government and so future pressures will have to be managed within existing resources of the Council.

Cost of Living increases

As the financial year came to a close, significant global economic pressures began feeding through into the UK domestic economy. Rising inflation will have a significant impact on a large proportion of residents of Bolton. It is expected this will significantly increase demand on local support measures for residents in financial difficulty putting further pressure on local authority assistance budgets.

8 Conclusions and recommendations

This report has provided information relating to the final outturn for the Directorate of Corporate Resources for the 2021/22 financial year. It is recommended that the Executive Cabinet Member:

- Notes the final outturn position for the Directorate.
- Notes the key findings in the report.

It is recommended that the Executive Cabinet Member Leaders Portfolio:

- Approve the proposed anti-poverty budget for 2022/23 of £172,414, to be funded from funds held in the anti-poverty reserve.
- Approved the savings identified within this report.

DIRECTORATE OF CORPORATE RESOURCES
Efficiency Options for 2021/23

Option	Target Savings	Delivered	Approval sought in this report	In Consultation	Comments
	£'000	£'000	£'000	£'000	
Review of model of financial support services across the council, maximising the benefits of new Oracle IT system	345	345			Approval in 21/22.
Review of Exchequer Services	101			101	Savings Report to follow.
Align Council Tax hardship budget to expected demand	100	100			21/22 Budget Report
Council Tax support scheme increased top slice	900	900			ECM Report
LWP Budget focus on fuel poverty support to residents	100	100			21/22 Budget Report
Review of Legal and Democratic Services	200	200			21/22 finance report, Dec 21 review report. 22/23 Budget Report.
Review School Appeals processes and provision	36	36			21/22 Finance Report

New model for One Stop Shop/Contact Centre leveraging benefits of new systems	234	234			Savings Report and 21/22 finance report
Merge Overpayment Recovery with Accounts Receivable	23	23			Savings Report
Review of model of HR support across the council, maximising the benefits of new Oracle IT system	396		396		For Approval in this report
Merge Support Services with Publishing Services	128	128			Savings Report
Review of MEC	1,129	679		450	22/23 Budget Report, this report. Savings Report to follow.
Review of Community Safety and Neighbourhood Management	275	275			22/23 Budget Report
MRP re-profiling	1,953	1,953			21/22 Budget Report
Levy and corporate benefits budgets	691	691			21/22 Budget Report
Pay modelling balance	820	820			21/22 Budget Report
Total Savings Options for Directorate of Corporate Resources	7,431	6,484	396	551	