

Bolton Council

Report to:	Executive Cabinet Member – Leader			<table border="1"> <tr> <th colspan="3">Consultation with other officers</th> </tr> <tr> <td>Finance</td><td>Yes</td><td>Sue Johnson</td> </tr> <tr> <td>Legal</td><td>No</td><td></td> </tr> <tr> <td>HR</td><td>No</td><td></td> </tr> <tr> <td>Equality Impact Assessment required?</td><td>No</td><td></td> </tr> <tr> <td colspan="3">(a) Pre-consultation on reports</td><td>No</td> </tr> <tr> <td colspan="3">Is there a need to consult on the proposals?</td><td>No</td> </tr> <tr> <td colspan="3">(b) Post consultation on reports</td><td></td> </tr> <tr> <td colspan="3">Please confirm that the</td><td></td> </tr> </table>			Consultation with other officers			Finance	Yes	Sue Johnson	Legal	No		HR	No		Equality Impact Assessment required?	No		(a) Pre-consultation on reports			No	Is there a need to consult on the proposals?			No	(b) Post consultation on reports				Please confirm that the			
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Date of meeting:	15 th November 2022																																				
Report of:	Chief Executive	Report number:	32080																																		
Contact officer:	Janet Pollard, Head of Finance, Corporate Resources and Place.	Telephone number	01204 336710																																		
Report title:	Directorate of Corporate Resources – Finance Report 2022/23 – Quarter Two																																				
<p style="text-align: center;">Not confidential</p> <p>This report does not contain information which warrants its consideration in the absence of the press or members of the public.</p>																																					
Purpose:	This report provides the Executive Cabinet Member with information relating to the financial quarter two projected outturn position of the Directorate of Corporate Resources.																																				
Recommendations:	<p>The Executive Cabinet Member is recommended to:</p> <ul style="list-style-type: none"> Note the financial position at quarter two. Approve deletion of FMI Assistant post 67464 to achieve £24k saving. 																																				
Decision:																																					
Background documents:																																					
Signed:	Leader/Executive Cabinet Member	Monitoring Officer																																			
Date:																																					

Bolton Council

consultation response has been taken into consideration in making the recommendations.		
Vision outcomes Please identify the appropriate Vision outcomes(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 2022-23 quarter two position, in respect of the Corporate Resources Directorate.

Key Issues**Revenue Expenditure:**

Revenue expenditure for the Directorate is projected to overspend by £191,000 after planned reserve movements.

Capital Expenditure:

Directorate of Corporate Resources has no current capital programme.

Reserves:

The Directorate of Corporate Resources has a projected balance of £6,906,713 earmarked reserves for the end of the year.

Savings targets:

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

1 Introduction

This report provides the Executive Cabinet Member with the 2022-23 quarter two financial position relating to their portfolio.

The information is divided into five elements.

- Revenue expenditure
- Reserve movements
- Efficiency targets
- Areas of financial risk
- Capital expenditure

2 Revenue expenditure

2.1 Revenue budget

The approved revenue budget for the Directorate totals £18.924m

Table One: Directorate of Corporate Resources – Approved revenue budget Q1 2022/23

	£'000
Original Approved Budget 2022/23	18,152
Less Recharges 2022/23	10,326
Original Manager's Controllable Budget 2022/23	28,478
Q1- Corporate financing budget transfer	735
Q1- Leadership Support post	37
Q2 – Climate change post transfer	28
Q2 – 21-23 savings – Financial Arrangement	461
Q2 – Strategic Business Development team transfer from Place	240
Q2 – Albert Halls and Community Centres transfer from Place to MEC Team	44
Q2 – Albert Halls internal income	35
Total adjustments	1,580
Adjusted Manager's Controllable Budget as at Quarter 2	30,058
Revised Recharges 2022/23	10,312
Adjusted Budget as at Quarter 2	19,746

Executive Portfolio	Adjusted 2022/23 Quarter 2 Budget
	£'000
Leader's	17,455
Stronger Communities	2,291
Total	19,746

2.2 In year budget adjustments

There have been five budget adjustments made during quarter two:

- Transfer of climate change post from Directorate of Place.
- Budget transfer from financial arrangements as contribution to 21-23 Savings.
- Transfer of Business Development Team from Directorate of Place into Transformation Team
- Transfer of Albert Halls and Community Centres from Directorate of Place to Marketing, Events and Communication Team
- Removal of Albert Halls internal charges

2.3 Financial position

Table Two below outlines the 2022/23 financial position of the Directorate of Corporate Resources, after movements to reserves, as of 30th September 2022.

Table Two—Directorate of Corporate Resources Financial Position – 2022/23 Quarter 2

Portfolio	Latest Budget 22-23 £'000	Net Recharges £'000	Controllable Budget £'000	Projected Expenditure £'000	Net Variance £'000
<u>Executive Cabinet Member - Leader's Portfolio</u>					
Chief Executives DLT	367	(683)	1,051	1,075	24
Financial Management	1,886	(3,115)	5,001	4,985	(16)
Revenue, Benefits and Customer Services	5,370	578	4,793	4,823	30
Legal & Democratic	4,840	68	4,772	4,885	113
HR and OD	90	(1,993)	2,083	2,152	69
Transformation	3,561	(4,728)	8,289	8,289	0
Policy, Performance & Communications	1,341	(672)	2,014	1,981	(33)
	17,455	(10,545)	28,003	28,190	187
<u>Executive Cabinet Member - Stronger Communities</u>					
Voluntary and Community Strategy (Including Notional Rents)	782	0	782	777	(5)
Community Safety and Area Working	1,209	0	0	9	9
Community Safety Grants	0	0	0	0	0
Area Working Programme	300	0	300	300	0
	2,291	0	1,082	1,086	4
Directorate of Corporate Resources Total	19,746	(10,545)	29,085	29,276	191

2.4 Variance analysis

The overall financial position for the Directorate at quarter one is a projected overspend of £191,000. This comprises of a £187k projected overspend on the Leader's portfolio and £4k projected overspend on the Stronger Communities portfolio.

There is one significant variance.

Legal & Democratic Services £113k

Demand for legal services remains high which has resulted in additional agency cover being brought in to manage increased workload.

2.5 COVID-19

All COVID restrictions have now been withdrawn and no further government funding is anticipated to be received to offset residual costs and loss of income that may remain in some services. Services in some areas are impacted by residual issues which arose during COVID restrictions incurring costs for additional resources required. Any ongoing impact will be monitored alongside other structural changes in costs or demand as a result of the current economic situation.

3 Saving and efficiency 2021/23 reductions

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. Action is being taken to implement the reductions and ongoing monitoring of expenditure against specific options has been incorporated into the financial monitoring.

The 2021/23 savings target for financial services within Corporate Resources was £446k of which £420k has previously been approved. Approval is now sought for the deletion of a vacant Financial Management Information Assistant post (67464) to achieve the remaining £24k saving outstanding against the Financial Services savings target.

Appendix A provides details of the full Directorate Savings Programme.

4 Reserve movements

Table Three – Directorate of Corporate Resources Reserves -2022/23 Quarter 2

Outlined below are the anticipated movements in the Directorate's reserves for 2022/23.

Leader's Portfolio:

	Opening Balance 22/23	Anticipated movements in Year	Closing Balance 22/23
	£	£	£
Elections	-100,000	100,000	0
Marketing	-787,246	81,900	-705,346
Policy and Projects Reserve	-201,956	70,700	-131,256
Personnel Reserve	-352,313	0	-352,313
Financial Services	-39,237	0	-39,237
Anti Poverty (inc Local Welfare Provision)	-451,016	186,000	-265,016
Transformation	0	0	0
Departmental Reserve General	-2,915,854	648,803	-2,267,052
Total	-4,847,622	1,087,403	-3,760,219

Stronger Communities Portfolio:

	Opening Balance 22/23	Anticipated movements in Year	Closing Balance 22/23
	£	£	£
Voluntary Community and Social Enterprise Strategy Funding	-2,513,595	570,400	-1,943,195
Perpetrator Programme	-30,371	0	-30,371
Greater Manchester PCC	-96,022	0	-96,022
Hate Crime Awareness	-10,500	0	-10,500
Controlling Migration Fund 19/20	-23,377	0	-23,377
Community Safety	-249,554	90,800	-158,754
Area Working Programme	-930,511	120,791	-809,720
Halliwel N mgmnt	-31,600	0	-31,600
Farnworth Neighbourhood Mgmnt cont	-7,956	0	-7,956
Domestic Abuse	0	-35,000	-35,000
Total	-3,893,485	746,991	-3,146,494

The quarter two reserves balance for the Directorate is projected £3,760k under the Leader's Portfolio and £3,146k under the Stronger Communities Portfolio.

5. Risk

There are a few financial risks that have been identified. These risks have been reviewed and mitigations identified:

5.1 Loss of Income

There are income lines built into the budget for the Directorate. Should these income levels become unachievable it will put pressure on the rest of the department.

Regular financial monitoring takes place particularly focusing on income.

5.2 Increased Demand

There is an increased demand for the services that fall under the Directorate of Corporate Resource's. In some case's this demand has resulted in a financial pressure for the Directorate. This is being monitored closely.

5.3 COVID-19

There are a few temporary posts in services that are being funded using COVID monies. Whilst this can be sustained in the short-term using COVID monies, a long-term strategy for recovery is being developed.

6 Capital Programme

Corporate Resources Directorate currently has no capital programme.

7 Conclusions and Recommendations

This report has provided information relating to the projected outturn as at quarter two for the Leader's portfolio, within the Directorate of Corporate Resources.

It is recommended that the Executive Cabinet Member:

- Note the financial position at quarter two.
- Approve deletion of FMI Assistant post 67464 to achieve £24k saving.

2021/23 Savings Programme

Option	Target Savings	Delivered	Approval sought in other report	No report yet	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		24	Approval in 21, Q1 report.
Review of Exchequer Services	101	77			Savings Report July 2022.
Align Council Tax hardship budget to expected demand	100	100			Budget Report
Council Tax support scheme increased top slice	900	900			ECM Report
LWP Budget focus on fuel poverty support to residents	100	100			Budget Report
Review of Legal and Democratic Services	200	200			Approval Q1 21/22 report, & Dec 21 report. Budget 22/23.
Review School Appeals processes and provision	36	36			Q1 21/22 Finance Report

New model for One Stop Shop/Contact Centre leveraging benefits of new systems	234	234			Savings Report and Q1 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			Outturn Report 22/23
Merge Support Services with Publishing Services	128	128			Savings Report
Review of MEC	1,129	1,129			Savings Report
Review of Community Safety and Neighbourhood Management	275	275			Savings Report
MRP re-profiling	1,953	1,953			Budget Report
Levy and corporate benefits budgets	691	691			Budget Report
Pay modelling balance	820	820			Budget Report
Total Savings Options for Directorate of Corporate Resources	7,431	7,407	0	24	