

# Bolton Council

**Report to:** Executive Cabinet Member – Adult  
Social Care and Health  
Executive Cabinet Member –  
Children's

**Date:** 11th March 2019

**Report of:** Interim Director of People  
Director of Corporate Resources

**Report No:** PS176

**Contact Officer:** Lisa Butcher  
Head of Finance – People Services

**Tele No:** 01204 336818

**Report Title:** Department of People – Strategic Budget Report 2019/20

**Confidential /  
Non Confidential:**  
(delete as approp)

(**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, including savings, and capital budgets for 2019/20 for Children's, Adults and Public Health Services.

**Recommendations:**

It is recommended that the Executive Member:

- Notes the proposed revenue budget for.

|                                |             |
|--------------------------------|-------------|
| Children's Services – LA block | £49,821,700 |
| Adult Services                 | £65,267,600 |
| Public Health Services         | £17,857,500 |
- Note the capital programme for:

|                     |             |
|---------------------|-------------|
| Children's Services | £22,898,500 |
| Adult Services      | £ 298,600   |
- Approves the identified savings and efficiencies within the report.

**Decision:**

|  |
|--|
|  |
|--|

**Background Doc(s):** Dedicated Schools Grant (DSG) Budget Report 2019/2020

*(for use on Exec Rep)*

**Signed:**

\_\_\_\_\_  
Leader / Executive Member

\_\_\_\_\_  
Monitoring Officer

**Date:**

\_\_\_\_\_

\_\_\_\_\_

**Summary:**

This report outlines the Department of People Revenue Budget for the year 2019/2020, including an analysis of how the budget, including savings, has been prepared and assumptions that have been taken.

In addition, the report includes the capital programme for the period 2019/2020.

## **1 Introduction**

This report outlines the 2019/2020 revenue and capital budgets for the Department of People.

## **2 Background and Financial Context**

Bolton Council is still facing a very challenging financial period. In the recent budget consultation report, 3<sup>rd</sup> December 2018, budget reductions of £23.5m have been allocated to directorates. This equates to £13.8m for the People Directorate. The final budget report went to Cabinet in February 2019.

This report outlines revenue and capital budgets for Children's, Adults and Public Health Services for the 2019/2020 financial year. This is the first year of a 2 year savings programme which amounts to £13.803m. 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 £49.822m. In addition, the element of the budget to be funded by Dedicated Schools Grant, Pupil Premium and Sixth Form funding amounts to £186.957m. Therefore, the total proposed budget for Children's Services for 2019/20 amounts to £236.779m.

The dedicated schools budget report was presented at Schools Forum on the 11<sup>th</sup> January 2019 and approved at Executive Member on the 11<sup>th</sup> February 2019.

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 2018/2019 and 2019/2020, Analysed by Service.**

| <b>Children's Services</b>            | <b>2018/2019<br/>£000's</b> | <b>2019/2020<br/>£000's</b> |
|---------------------------------------|-----------------------------|-----------------------------|
|                                       |                             |                             |
| <b>Local Authority Block</b>          |                             |                             |
| · Departmental Financial Arrangements | 5,009                       | 5,119                       |
| · Education and Learning              | 6,695                       | 6,929                       |
| · Performance Planning & Resources    | 3,729                       | 4,151                       |
| · Staying Safe                        | 34,188                      | 30,117                      |
| · Children's Transport                | 3,438                       | 3,506                       |
|                                       |                             |                             |
| <b>Total Local Authority Block</b>    | <b>53,059</b>               | <b>49,822</b>               |
|                                       |                             |                             |
| <b>Schools Budget</b>                 |                             |                             |
| · Schools Block                       | 119,596                     | 119,424                     |
| · Central Schools Service Block       | 1,850                       | 1,895                       |
| · Early Years Block                   | 20,075                      | 21,793                      |
| · High Needs Block                    | 30,150                      | 29,349                      |
| · Pupil Premium                       | 11,701                      | 11,327                      |
| · EFA Sixth Form Funding              | 3,424                       | 3,169                       |
|                                       |                             |                             |
| <b>Total Schools Budgets</b>          | <b>186,796</b>              | <b>186,957</b>              |
|                                       |                             |                             |
| <b>Total Children's Services</b>      | <b>239,855</b>              | <b>236,779</b>              |

**4. Revenue Budget – Adult Services**

The local authority funded revenue budget for Adult Services, amounts to £65.268m for 2019/2020.

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 2018/2019 and 2019/2020 Analysed by Service**

| <b>Adults Services</b>   | <b>2018/2019<br/>£000's</b> | <b>2019/2020<br/>£000's</b> |
|--|-----------------------------|-----------------------------|
| · Departmental Financial Arrangements and Policy , Performance and Resources | 9,124                       | 5,409                       |
| · Older Adults   | 19,350                      | 17,969                      |
| · Integrated Services  | 82                          | 330                         |
| · Learning and Physical Disabilities   | 25,416                      | 24,426                      |
| · Mental Health  | 4,510                       | 5,139                       |
| · Care Management  | 10,278                      | 10,423                      |
| · Supporting People, Across Client Groups                                    | 1,882                       | 1,572                       |
| <b>Total Adult Services</b>  | <b>70,642</b>               | <b>65,268</b>               |

**5. Revenue Budget – Public Health**

The local authority funded revenue budget for Public Health Services, amounts to £17.858m.

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

**5.1 Table Three – Public Health Services Net Revenue Budget 2018/2019 and 2019/2020 Analysed by Service**

| <b>Public Health Services</b>       | <b>2018/2019<br/>£000's</b> | <b>2019/2020<br/>£000's</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| · Healthy Communities               | 69                          | 21                          |
| · Public Health Core                | 3,714                       | 3,356                       |
| · Social Inclusion                  | 15,569                      | 14,481                      |
| <b>Total Public Health Services</b> | <b>19,352</b>               | <b>17,858</b>               |

**6 Pooled Budget**

Over the past 12 months the Strategic Commissioning Function has been established to oversee the joint commissioning of Health and Social Care Services to adults in Bolton and with the intention to increase the existing pool of monies through the section 75 agreements. The potential pool is approximately £160m which is a joint contribution from the Council and the Clinical Commissioning Group (CCG). The financial performance of the pool will be

monitored through the People Department's budget reports, the CCG Board and through the Shadow Partnership Board. This will come in to effect from the 1<sup>st</sup> April 2019.

## 7 Variance Analysis

Appendices A, B, C to this report outlines a service specific detailed variance analysis of changes between the original budget for 2018/2019 and the proposed budget for 2019/2020. This section explains individual items in more detail.

### 7.1 Budget Virements (-£1.005m)

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                                      | Adults<br>£000 | Children's<br>£000 | Public<br>Health<br>£000 | Total<br>£000 |
|---|----------------|--------------------|--------------------------|---------------|
| Supported Employment transfer posts from Corporate    | 34             |                    |                          | 34            |
| Recharge adjustments within Department                | 80             | -31                | -48                      | 0             |
| Establishment of Procument post transfer to Corporate | -30            |                    |                          | -30           |
| Insurance   | 5              | -20                |                          | -15           |
| MFD and Vodaphone transferred back to Corporate       | -29            | -92                | -3                       | -124          |
| Adult Social Care Grant                               | -870           |                    |                          | -870          |
|   |                |                    |                          |               |
| <b>Total Adjustments</b>                              | <b>-810</b>    | <b>-143</b>        | <b>-52</b>               | <b>-1,005</b> |

### 7.2 Inflationary Increases (£3.554m)

Corporate inflation has been received within the department in relation to pay awards, price increases and increases in income.

### 7.3 Adult Social Care Precept (£1.097m)

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 2019/2020 by 1%.

### 7.4 Winter Pressures Grant (£1.39m)

Extra Funding has been announced for Adult Social care aimed at reducing delayed transfers of care from hospital.

### 7.5 Adults and Children's Social Care Grant (£2.375m)

Extra funding has been allocated to ease pressures on Adults and Children's Social Care as well as the NHS. The total allocation has been split (£1.256m) for Children's Social Care and (£1.119m) for Adults Social Care.

### 7.6 Increase in iBCF (Improved Better Care Fund) (£2.695m)

Improved Better Care Fund allocation has increased by £2.695m for 2019/2020.

## 7.7 Schools Budget

The total proposed schools block of the overall DSG budget (£187m) amounts to £119m. A detailed report on schools funding was presented to Schools forum on the 11<sup>th</sup> January 2019.

## 8 Savings and Efficiencies

- 8.1** In the recent budget consultation report, 3<sup>rd</sup> December 2018, budget reductions of £23.5m have been allocated to directorates. The final budget report went to cabinet in February 2019.
- 8.2** The People's Department savings programme of £13.803m was identified in the February 2019 budget report to Council. Progress is detailed in appendices D, E and F. Budgets will be amended during the year when reviews are realised.
- 8.3** As part of the budget setting process savings have been identified and achieved in respect of the following savings options:

### Review of all Contracts £80k

A full efficiency review has been completed of all the contracts within Public Health and a saving of £80k has been identified and be realised from the 1/4/2019.

### Management of Cash Limited Budgets £275k

A review of the controllable budgets within Public Health and Education has identified contingency budgets. Public Health can reduce the budget by £200k and Education can reduce the budget by £75k which will be effective from 1/4/2019.

### Redistribution of iBCF £1m

An analysis has been undertaken to review the areas which are funded from the iBCF. Schemes have been identified and will either cease or be reduced so that the funding can be redistributed as detailed in the table below.

| Areas  | 18/19<br>(£'000) | Redistri<br>bution<br>Savings<br>(£'000) | Addition<br>al iBCF<br>(£'000) | 19/20<br>(£'000) |
|--|------------------|--|--------------------------------|------------------|
| Maintaining ASC                                  | 3,237            | 1,000                                    |                                | 4,237            |
| Stabilising market - new burden pressures        | 275              |  |                                | 275              |
| Stabilising market + national living wage        | 4,877            |  | 2,695                          | 7,572            |
| New service to improve                           | 196              | -142                                     |                                | 54               |
| Managing transfer of care                        | 786              | -169                                     |                                | 617              |
| New service to improve Managing transfer of care | 400              | -149                                     |                                | 251              |
| Could not be otherwise maintain (stabilise)      | 570              | -540                                     |                                | 30               |
| <b>Total</b>                                     | <b>10,341</b>    | <b>0</b>                                 | <b>2,695</b>                   | <b>13,036</b>    |

### **Review of Income including Charges and Subsidies £500k**

This option is to review the income received by the People Department by reviewing charges and subsidies. The budget reduction of £425k will be taken from the 1<sup>st</sup> of April and will include reviewing packages of Home Care.

As part of this options the remodelling of the Appointeeship Team has been completed. The final report is due to come forward in March. This will realise a saving of £75k by moving towards a traded service, generating a saving of £75k.

### **Do not apply Non-Pay Inflation**

People Department have taken the decision in the main to not apply non pay inflation to the service areas. The option is over a two year period and in 2019/2020 this equates £1.922m against the whole £3.5m option.

## **9 Capital Programme**

Appendices G and H details the Department's capital programme, which totals £23.197m in the 2019/20 financial year.

| <b>Service Area</b>               | <b>Amount (£'000)</b> |
|-----------------------------------|-----------------------|
| Children's                        | 22.898                |
| Adults                            | 0.299                 |
| <b>Department of People Total</b> | <b>23.197</b>         |

## **10 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.

## **11 Conclusions**

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

| <b>Service Area</b>               | <b>Amount (£)</b>  |
|-----------------------------------|--------------------|
| Children's - LA Block             | 49,821,700         |
| Adults                            | 65,267,600         |
| Public Health                     | 17,857,000         |
| <b>Department of People Total</b> | <b>132,946,300</b> |

## 12 Equality Impact Assessment

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

## 13 Recommendations

It is recommended that the Executive Member:

- Notes the proposed revenue budget:

| <b>Service Area</b>               | <b>Amount (£)</b>  |
|-----------------------------------|--------------------|
|                                   |                    |
| Children's - LA Block             | 49,821,700         |
| Adults                            | 65,267,600         |
| Public Health                     | 17,857,000         |
|                                   |                    |
| <b>Department of People Total</b> | <b>132,946,300</b> |

- Notes the capital programme for 2018/19 totaling £23,197,100.
- Approves the identified savings and efficiencies within the report.

**Children's Services Variation Analysis 2018/2019-2019/2020**

|  | £'000  | £'000         |
|--|--------|---------------|
|  |        |               |
| <b>Total Approved Budget 2018/2019</b>                   |        | <b>53,059</b> |
|  |        |               |
| Less Recharges   |        | -4,509        |
|  |        |               |
| <b>Children's Services Controllable Budget 2018/2019</b> |        | <b>48,550</b> |
|  |        |               |
|  |        |               |
| <b>Inflation adjustments</b>                             |        |               |
|  |        |               |
| · Pay  | 779    |               |
| · Prices   | 623    |               |
| · Income   | -109   |               |
| <b>Total Inflation Adjustments</b>                       |        | <b>1,292</b>  |
|  |        |               |
| <b>Other Adjustments</b>                                 |        |               |
| · Movements within Department of People                  | -31    |               |
| · Movements to Corporate                                 | -112   |               |
| · Adults and Childrens Social Care Grant -Expenditure    | 1,256  |               |
| · Adults and Childrens Social Care Grant - Income        | -1,256 |               |
| · Savings  | -4,590 |               |
| <b>Total Other Adjustments</b>                           |        | <b>-4,733</b> |
|  |        |               |
|  |        |               |
| <b>Children's Services Controllable Budget 2018/2019</b> |        | <b>45,110</b> |
|  |        |               |
| Plus Recharges   |        | 4,712         |
|  |        |               |
|  |        |               |
| <b>Children's Services Strategic Budget 2019/20</b>      |        | <b>49,822</b> |

**Adult Services Variation Analysis 2018/2019-2019/2020**

|  | £'000  | £'000         |
|--|--------|---------------|
|  |        |               |
| <b>Total Approved Budget 2018/2019</b>                 |        | <b>70,642</b> |
|  |        |               |
| Less Recharges   |        | -3,559        |
|  |        |               |
| <b>Adults Services Controllable Budget 2018/2019</b>   |        | <b>67,083</b> |
|  |        |               |
|  |        |               |
| <b>Inflation adjustments</b>                           |        |               |
|  |        |               |
| Pay  | 548    |               |
| Prices   | 1,665  |               |
| Income   | -288   |               |
| <b>Total Inflation Adjustments</b>                     |        | <b>1,925</b>  |
|  |        |               |
| Other Adjustments                                      |        |               |
| · Movements within Department of People                | 80     |               |
| · Movements to Corporate                               | -20    |               |
| · Adult Social Care Precept                            | 1,097  |               |
| · Winter Pressure Expenditure                          | 1,390  |               |
| · Winter Pressure Grant                                | -1,390 |               |
| · Adults and Children's Social Care Grant -Expenditure | 1,119  |               |
| · Adults and Children's Social Care Grant - Income     | -1,119 |               |
| · Remove Adults and Children's Social Care Grant       | -869   |               |
| · S31 - Improved BCF - Expenditure                     | 2,695  |               |
| · S31 - Improved BCF - Income                          | -2,695 |               |
| · Savings  | -7,558 |               |
| <b>Total Other Adjustments</b>                         |        | <b>-7,270</b> |
|  |        |               |
| <b>Adults Services Controllable Budget 2018/2019</b>   |        | <b>61,738</b> |
|  |        |               |
| Plus Recharges   |        | 3,529         |
|  |        |               |
| <b>Adult Services Strategic Budget 2019/20</b>         |        | <b>65,267</b> |

Appendix C

**Public Health Services Variation Analysis 2018/2019-2019/2020**

|  | £'000  | £'000         |
|--|--------|---------------|
|  |        |               |
| <b>Total Approved Budget 2018/2019</b>             |        | 19,352        |
|  |        |               |
| Less Recharges                                     |        | -220          |
|  |        |               |
| <b>Public Health Controllable Budget 2018/2019</b> |        | <b>19,132</b> |
|  |        |               |
| <b>Inflation adjustments</b>                       |        |               |
|  |        |               |
| · Pay  | 22     |               |
| · Prices   | 314    |               |
| · Income   |        |               |
| <b>Total Inflation Adjustments</b>                 |        | <b>336</b>    |
|  |        |               |
| <b>Other Adjustments</b>                           |        |               |
| · Movements within Department of People            | -48    |               |
| · Movements to Corporate                           | -3     |               |
| · Savings  | -1,656 |               |
| <b>Total Other Adjustments</b>                     |        | <b>-1,707</b> |
|  |        |               |
| <b>Public Health Controllable Budget 2018/2019</b> |        | <b>17,761</b> |
|  |        |               |
| Plus Recharges                                     |        | 97            |
|  |        |               |
| <b>Public Health Strategic Budget 2019/20</b>      |        | <b>17,858</b> |

Appendix D

**2019-2021 Budget Options – Children’s Services**

| <b>Savings Option</b>                    | <b>Budget Saving<br/>£000</b> |
|--|-------------------------------|
| Do not apply Non-Pay Inflation           | 165                           |
| Review of Early Help                     | 3,500                         |
| Management of Cash Limited Budgets       | 75                            |
| Review of staffing across the department | 850                           |
| <b>Total Saving</b>                      | <b>4,590</b>                  |

## Appendix E

### 2019-2021 Budget Options – Adult Services

| <b>Savings Option</b>                            | <b>Budget Saving<br/>£000</b> |
|--|-------------------------------|
| Do not apply Non-Pay Inflation                   | 2,729                         |
| Review of Staffing across the department         | 750                           |
| Review of Community Meals                        | 250                           |
| Review of Handyman Service                       | 179                           |
| Review of the Intermediate Tier                  | 500                           |
| Review of Income including Charges and Subsidies | 500                           |
| Reprioritising iBCF                              | 1,000                         |
| Review of contracts                              | 1,650                         |
| <b>Total Saving</b>                              | <b>7,558</b>                  |

## Appendix F

### 2019-2021 Budget Options – Public Health Services

| <b>Savings Option</b>              | <b>Budget Saving<br/>£000</b> |
|------------------------------------|-------------------------------|
|                                    |                               |
| Do not apply Non-Pay Inflation     | 607                           |
| Management of Cash Limited Budgets | 200                           |
| Review of the School Meal Subsidy  | 264                           |
| Review of the Contracts            | 85                            |
| Review of the 0-19 Contract        | 500                           |
|                                    |                               |
| <b>Total Saving</b>                | <b>1,656</b>                  |

**Appendix G**

**2019/2020 Childrens Capital Programme**

| <b>Scheme</b>                                | <b>2019/2020<br/>(£)</b> |
|--|--------------------------|
| Building Maintenance Plan                    | 2,100,000                |
| School Capital Support Fund                  | 100,000                  |
| Schools Access Initiative                    | 100,000                  |
| Devolved Formula Capital All Schools         | 900,000                  |
|  |                          |
| <b>Expansion Programmes:</b>                 |                          |
| Primary Expansion Programme                  | 3,378,800                |
| Special Expansion Programme                  | 2,000,000                |
| Secondary Expansion Programme                | 13,175,800               |
|  |                          |
| <b>Other:</b>                                |                          |
| Children Centres                             | 190,000                  |
| Youth and Play Centres                       | 593,800                  |
| Leisure and Youth Provision                  | 330,100                  |
| Children Social Care                         | 30,000                   |
|  |                          |
| <b>Total</b>                                 | <b>22,898,500</b>        |
|  |                          |
| <b>Financing:</b>                            |                          |
| Basic Need Allocations Carried Forward       | 18,182,398               |
| SEND Grant                                   | 372,202                  |
| Devolved Formula Funding                     | 450,000                  |
| Devolved Formula Funding Carried Forward     | 450,000                  |
| Schools Condition Grant                      | 2,100,000                |
| Schools Condition Grant Carried Forward      | 200,000                  |
| Start Well Capital Reserve                   | 190,000                  |
| Revenue Contributions to Capital             | 315,100                  |
| Revenue Contributions to Capital - Corporate | 638,800                  |
|  |                          |
| <b>Total Financing</b>                       | <b>22,898,500</b>        |

**2019/2020 Adults Capital Programme**

| Scheme                         | 2019/2020<br>(£) |
|--------------------------------|------------------|
|                                |                  |
| Daycare                        | 80,000           |
| Supported Housing Developments | 166,100          |
| Adults ICT                     | 52,500           |
|                                |                  |
| <b>Total</b>                   | <b>298,600</b>   |
|                                |                  |
| <b>Financing:</b>              |                  |
| Adult Services Capital Reserve | 298,600          |
|                                |                  |
| <b>Total Financing</b>         | <b>298,600</b>   |