

Report to:	Executive Cabinet Member Leader's Portfolio			
Date of meeting:	13 th September 2022			
Report of:	Deputy Chief Executive	Report Number:	32196	
Reporting Officer:	Sue Johnson Deputy Chief Executive	Telephone Number:	1502	
Contact Officer:	Tony Glennon Head of Finance - Corporate	Telephone Number:	1723	
Report title:	Aggregate Financial Monitor - Quarter 1 2022/23			
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 quarter one financial outturn in aggregate for the 2022/23 financial year.			
Recommendations:	The Executive Cabinet Member is recommended to: <ul style="list-style-type: none"> • Note the quarter one financial position • Note the key findings in the report 			
Decision:				
Background documents:				
Signed:	Leader /Executive Cabinet Member	Monitoring Officer		
Date:				
Consultation with other officers				
Finance	Yes		Sue Johnson	
Legal	No	n/a	n/a	
HR	No	n/a	n/a	
Procurement	No	n/a	n/a	
Climate Change	No	n/a	n/a	
Equality Impact Assessment	No	n/a	n/a	
(a) Pre-consultation reports Is there a need to consult on the proposals?			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	X
			2. Live Well	X
			3. Age Well	X
			4. Prosperous	X
			5. Clean and Green	X
			6. Strong and Distinctive	X

1 Introduction and background

- 1.1 This report provides the Executive Cabinet Member with the quarter one financial position for the 2022/23 financial year.
- 1.2 The Council's revenue position is in line with the budget set in February 2022.
- 1.3 Capital expenditure for the 2022/23 financial year is estimated at £122.931m.
- 1.4 All Prudential Indicators are within the range approved by Council on 7th February 2022.
- 1.5 The General Fund Balance remains at £10.7m, which is in line with the Deputy Chief Executive's guidance.
- 1.6 There is a £37.2m savings target built into the two-year budget 2021-23. £33.503m has been delivered as at quarter one 2022/23.

2 Revenue expenditure – final outturn position

- 2.1 Revenue budget
 - 2.1.1 The approved budget for the year (excluding Parish Precepts) is £249.994m. A number of budget transfers have taken place between departments during the year, detailed per Appendix A.

Table One: Aggregate Financial Position 2022/23

Department	Service	Original Budget	Budget Adjustments	Final Budget
Expenditure	Expenditure	£000s	£000s	£000s
People	Adult Services	69,959	(37)	69,922
	Children's Services	50,197	0	50,197
	Housing	1,692	0	1,692
	Total People	121,848	(37)	121,811
Public Health	Public Health	17,695	0	17,695
Place	Deputy Leader	10,297	(105)	10,192
	Regeneration	5,241	0	5,241
	Environment Regulatory		0	0
	Environment Services Delivery	11,836	165	12,001
	Highways & Transport	6175	0	6,175
	Strategic Housing & Planning	792	0	792
	Total Place	34,341	60	34,401
Corporate Resources	Leader	15,861	772	16,633
	Stronger Communities	2,291	0	2,291
	Environmental Services Delivery	0	0	0
	Total Corporate Resources	18,152	772	18,924
PTA, Waste Disposal & Land Drainage Precepts	PTA, Waste Disposal & Land Drainage Precepts	39,607	0	39,607
Financial Services	Financial Services	18,351	(795)	17,556
	Total	249,994	0	249,994
	Precepts	430	0	430
	Total	250,424	0	250,424

2.2 Key Variances

2.2.1 The overall financial position as per Table Two illustrates a balanced budget, with any budget pressures being managed through departmental reserves held to cover in-year pressures (as identified in Appendix B).

Table Two: Projected Outturn

Department	Service	Latest Controllable Budget	Over / (Underspend)	Variance Transfer to Reserves	Projected Outturn
Expenditure	Expenditure	£000s	£000s	£000s	£000s
People	Adult Services	69,922	753	(753)	69,922
	Children's Services	50,197	4,087	(4,087)	50,197
	Housing	1,692	(7)	7	1,692
	Total People	121,811	4,833	(4,833)	121,811
Public Health	Public Health	17,695	(110)	110	17,695
Place	Deputy Leader	10,192	178	(178)	10,192
	Regeneration	5,241	5	(5)	5,241
	Environment Regulatory	0	0	0	0
	Environment Delivery	12,001	81	(81)	12,001
	Highways & Transport	6,175	280	(280)	6,175
	Strategic Housing & Planning	792	218	(218)	792
	Total Place	34,401	762	(762)	34,401
Corporate Resources	Leader	16,633	22	(22)	16,633
	Stronger Communities	2,291	9	(9)	2,291
	Environmental Services Delivery	0	0	0	0
	Total Corporate Resources	18,924	31	(31)	18,924
PTA, Waste Disposal & Land Drainage Precepts	PTA, Waste Disposal & Land Drainage Precepts	39,607	0	0	39,607
Financial Services	Financial Services	17,556	0	0	17,556
	Total (excluding Parish Precepts)	249,994	5,516	(5,516)	249,994
	Parish Precepts	426			426
	Total Expenditure	250,420	5,516	(5,516)	250,420

2.2.2 Adult Services: There continues to be a sustained upward trend of increases in the volume in demand for Older People's care packages in the community especially homecare and discharges from hospital home. Services are experiencing a continued presentation of people with greater levels of need and complexity of need, this is thought to be partly attributable to the impact of delayed health care, isolation, increased ailments/infections as a result of the pandemic.

2.2.3 Children's Services: During 21-22 there were significant pressures within the staying safe areas and is still relevant in this financial year. The costs of external provision are increasing due to supply and demand. Covid has had impact on the numbers of foster carers available. This situation has arisen at the time most local authorities in the GM region, and across England as a whole, have experienced an increase in their numbers of looked after children and as a result the average placement cost is escalating. Bolton had reduced its number of children placed in an out of authority residential placement and semi-independent placement by 14 since the 1st of March 2021 but still exceeds budget available. In addition, we now have 8 children under 12 in an out of borough placement which is an unprecedented position for Bolton. The implementation of the Demand Management Strategy, including the launch of the Early Help Review and Integrated Front Door, initially had the desired impact with numbers of looked after children reducing from 649 to 553. Children subject of a Child Protection Plan

from 444 to 357 over the course of the past 12 months. However, the LAC numbers are starting to increase again and are currently at 553 adding further placements and cost pressure on the system.

- 2.2.4 Place: There are three significant variances highlighted at quarter one. Highways – the service is experiencing significant inflation on highway construction materials. Income generated from billable jobs is not intended to reach the budgeted target. Parking Services are currently overspending by £25k – however underlying this figure is a reduction in Town Centre parking income. This is offset in 22/23 by a temporary increase in income across other areas of the service. Planning – Additional agency staff have been required in both building control and divisional development services to cover vacancies and service demand which has only partially been offset by vacant staff budget savings. Markets – Income shortfall is as a result of the increased income budget (as part of the 22/23 budget) which can only be achieved as rental agreements come up for review, together with the cost of rental concessions for new stallholders.
- 2.2.5 Corporate Resources: The overall financial position is a projected overspend of £31k. This is comprised of a £22k projected overspend on the Leader's portfolio and £9k projected overspend on the Stronger Communities portfolio. There are no significant variances.

3 COVID-19 Pandemic

- 3.1 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 still clearing backlogs of work 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.

4 Savings Programmed

- 4.1 Formal consultation on Bolton's 2021/22 budget took place in late 2020 and early 2021 and political approval was granted in February 2021. A two-year savings target for 2021/23 was set in the prior year's budget totalling £37.2m.
- 4.2 Table Three below provides a summary of the approved options, along with the final position – to date £33.503m savings have been achieved. A detailed schedule of the 2021/23 savings options can be found in Appendix C.

Table Three: Strategic Options

Service	Target 21-23	Report Delivered	In consultation	Outstanding
	£'000	£'000	£'000	£'000
Adults	12,680	12,180	0	500
Children	9,291	8,157	471	663
Public Health	1,637	1,637	0	0
Place	6,161	4,122	0	2,039
Corporate Resources	7,431	7,407	0	24
Total	37,200	33,503	471	3,226

5 Reserves

- 5.1 Table Four outlines the movements and estimated closing balances for all reserves in 2022/23, summarised by department. Appendix D provides further detail broken down by the corporately reported categories.
- 5.2 The General Fund Balance of £10.660m remains consistent with the Deputy Chief Executive's recommendation that Balances should be at least £10m.

Table Four: Reserves Position 2021/22

Service	Opening balance 01/04/22	Activity in Year 2022/23	Closing balance 31/03/23
	£000s	£000s	£000s
Adult Services	17,795	(4,552)	13,243
Public Health	8,813	(5,173)	3,640
Children Services	10,423	(6,008)	4,415
Housing	3,381	(323)	3,058
Deputy Leader	3,913	(312)	3,601
Regeneration	600	(47)	553
Highways & Transport	20	39	59
Strategic Housing & Planning	107	0	107
Environment Delivery	950	(695)	255
Stronger Communities	3,894	(177)	3,717
Leader	4,848	(339)	4,509
Corporate Resources	3,910	0	3,910
Corporate Accounting	22,558	0	22,558
General Fund Balance - Collection Fund	9,873	(9,873)	0
Financial Arrangements	46,438	(14,621)	31,817
General Fund	10,660	0	10,660
Total Revenue	148,183	(42,081)	106,102
Total Capital	52,969	(13,522)	39,447
Total of Revenue & Capital Reserves (excluding Schools)	201,152	(55,603)	145,549
Schools Reserves (excluding Debit DSG Reserve)	17,357	(2,539)	14,818
Usable Reserves	218,509	(58,142)	160,367
memo - Debit DSG Reserve	(18,186)	1,547	(16,639)
Usable Reserve less Debit DSG Reserve	200,323	(56,595)	143,728

6 Capital Programme

6.1 Capital Expenditure

6.1.1 Table Five below summarises the outturn aggregate capital programme position as at quarter one 2022/23, and funding details can be found in Table Six below.

6.1.2 The capital programme shows projected expenditure for the year of £122.931m.

6.1.3 This includes expenditure on one-off planned investments which for accounting purposes is reported through revenue on departmental monitors.

Table Five: Capital Expenditure

Service	2022/23 Original Allocation	2022/23 Revised Budget	2022/23 Qtr 1 Expenditure To Date
	£000s	£000s	£000s
Adult Services	5,663	5,800	100
Children's Services	23,203	16,814	390
Housing	53	48	16
Leader	5,391	20,754	137
Regeneration	41,421	50,056	1,007
Stronger Communities	0	86	85
Deputy Leader	0	0	0
Strategic Housing & Planning	1,766	4,421	0
Environmental Services Delivery	1,065	1,336	66
Highways & Transport	9,031	21,730	2,946
Total Capital	87,593	121,045	4,747
One Off Planned Investments	252	1,886	1,886
Total Capital	87,845	122,931	6,633

6.2 Capital Financing

6.2.1 The 2022/23 capital programme is financed by a variety of funding sources:

Table Six: Capital Financing

Resource	£000's
Borrowing	25,004
Government Grant	66,774
Capital Receipts (incl Earmarked)	2,726
External Contributions	2,210
Revenue Reserves and Revenue	26,084
Corporate Strategic Investment monies	132
Total	122,931

6.3 Capital Prudential Indicators

6.3.1 As part of the Prudential Borrowing regime, the Council has set a range of indicators that are designed to ensure that the borrowing is sustainable.

6.3.2 All the Capital Prudential Indicators are in line with the levels set by Council.

Table Seven: Prudential Indicators

	Estimate 2022/23	Actual 2021/22	Comment
Affordability			
Ratio of financing costs to net revenue stream - General Fund	3.71%	3.77%	Fixed in Budget Setting
Capital Expenditure and Debt			
Capital Expenditure			
General Fund (£m)	£122.93	£48.18	
Capital Financing Requirement (£m)	£296.20	£310.68	

7 Key Areas of Risk

7.1 This report has provided members with an update on the final position.

8 Impacts and Implications

8.1 Financial - none

8.2 Legal - none

8.3 HR - none

8.4 Other – none

9 Conclusion

9.1 This report has provided information relating to the quarter one position for the 2022/23 financial year.

9.2 Departments manage variations in their controllable budgets through the use of earmarked reserves, as is required by Financial Regulations.

9.3 Capital Expenditure is financed within available resources and resources can be carried forward to meet any slippage to 2023/24.

9.4 All Prudential Indicators are within the range approved by Council.

10 Recommendations

10.1 It is recommended that the Executive Cabinet Member:

10.1.1 Notes the aggregate quarter one position for 2022/23.

10.1.2 Notes the key findings in the report.

Virements – Quarter One Position 2022/23

Transfers Between Services	People	Public Health	Place	Corporate Resources	Precepts, Levies	Savings	Financial Services	Total
	£000s	£000's	£000s	£000s	£000s	£000s	£000s	
								0
Trade Waste - School adj	0		60	0			(60)	0
Corporate Finance Budget Transfer	0		0	735			(735)	0
Leadership Support Post	(37)		0	37			0	0
Total	(37)	0	60	772	0	0	(795)	0

General Fund Projected Revenue Outturn Position 2022/23

Department	Service	Original Controllable Budget	Budget Adjustments	Latest Controllable Budget	Over / (Underspend)	Year End Variance Transfer to / (from) Reserves	Projected Outturn
	Expenditure	£000s	£000s	£000s	£000s	£000s	£000s
People	Adult Services	69,959	(37)	69,922	753	(753)	69,922
	Children's Services	50,197	0	50,197	4,087	(4,087)	50,197
	Housing	1,692	0	1,692	(7)	7	1,692
	Total People	121,848	(37)	121,811	4,833	(4,833)	121,811
Public Health	Public Health	17,695	0	17,695	(110)	110	17,695
Place	Deputy Leader	10,297	(105)	10,192	178	(178)	10,192
	Regeneration	5,241	0	5,241	5	(5)	5,241
	Environment Delivery	11,836	165	12,001	81	(81)	12,001
	Highways & Transport	6,175	0	6,175	280	(280)	6,175
	Strategic Housing & Planning	792	0	792	218	(218)	792
	Total Place	34,341	60	34,401	762	(762)	34,401
Corporate Resources	Leader	15,861	772	16,633	22	(22)	16,633
	Stronger Communities	2,291	0	2,291	9	(9)	2,291
	Total Corporate Resources	18,152	772	18,924	31	(31)	18,924
PTA, Waste Disposal & Land Drainage Precepts	PTA, Waste Disposal & Land Drainage Precepts	39,607	0	39,607	0	0	39,607
Financial Services	Financial Services	18,351	(795)	17,556	0	0	17,556
	Total (excluding Parish Precepts)	249,994	0	249,994	5,516	(5,516)	249,994
	Parish Precepts	430		430			430
	Total Expenditure	250,424	0	250,424	5,516	(5,516)	250,424

Appendix C

Savings Options 2021/23

Department	Review	Target 2021-23	Report Delivered	In consultation	Outstanding
		£'000	£'000	£'000	£'000
Adult Services	Transformation of Older Adults, Mental Health and Learning Disability Day Care	965	965	0	0
	Review of income and subsidies	2,520	2,520	0	0
	Reduction of inflation	1,250	1,250	0	0
	Review of Integrated Equipment Stores delivery model	225	225	0	0
	Review of staffing in the Adults portfolio	875	875	0	0
	Review of Intermediate Tier provision	1,000	500	0	500
	Review of Housing Services Ph1	290	290	0	0
	Review of Housing Services Ph2	130	130	0	0
	Care packages and placements demand strategy	3,650	3,650	0	0
	Delivery of a Learning Disability Supported Housing strategy	1,100	1,100	0	0
	Review of all contracts and grants	675	675	0	0
	Total Adults	12,680	12,180	0	500
Children's Services		300	300	0	0
	Reduction of agency spend				
	Review of all grants	100	100	0	0
	Review of staffing within the Commissioning and Support Services	1,450	1,450	0	0
	Review of staffing in Education Services	407	92	315	0
	Reduction in legal expenditure	500	250	156	94
	Review of resources within Staying Safe	1,569	1,000	0	569
	Review of new transport models	350	350	0	0
	Placement Demand	4,075	4,075	0	0
	Reduction of inflation	540	540	0	0
	Total Children's	9,291	8,157	471	663

Department	Review	Target 2021-23	Report Delivered	In consultation	Outstanding
		£'000	£'000	£'000	£'000
Public Health Directorate	Change of commissioner for specialist school nursing	120	120	0	0
	Reduction of controllable budgets	483	483	0	0
	Review and reduce public health service contracts	1,034	1,034	0	0
	Total Public Health	1,637	1,637	0	0
Place Directorate	Review of provision of SCPs	57	57	0	0
	Review of Highways & Engineering	1,001	382	0	619
	Review of Libraries, Museums and Archives	430	430	0	0
	Review of Neighbourhood Services	0	0	0	0
	Review of Regulatory Services, Licensing and Enforcement	60	60	0	0
	Review of properties and Land held by the council in line with the Strategic Asset Management Plan (SAMP)	400	400	0	0
	Review of Property Team	0	0	0	0
	Review of Housing Services	0	0	0	0
	Review of the Business Development Team	55	55	0	0
	Review of Planning Enforcement	38	38	0	0
	Review of all Leisure concessions	311	311	0	0
	Change the funding arrangement for staff working on Regeneration Capital Programmes	230	230	0	0
	Increase all fees and charges by an additional 6% above inflation	700	700	0	0
	Review of all commercial leases to reduce/remove peppercorn	214	214	0	0
	Selective price increases such as raising the school meal price to £2.20, review Trade Waste fee structure, increase on-street parking by 20%	550	550	0	0
	Increase the budgeted income to reflect the actual income for services such as Planning, Heaton Fold etc	270	270	0	0
	Review of Fleet Management	240	240	0	0
	Fleet Admin	0	0	0	0
	Waste, Neighbourhood and Community Services amalgamation Phase 1	54	54	0	0

Department	Review	Target 2021-23	Report Delivered	In consultation	Outstanding
		£'000	£'000	£'000	£'000
	Waste, Neighbourhood and Community Services amalgamation Phase 2	1,471	51	0	1,420
	Review of Building control	80	80	0	0
	Total Place	6,161	4,122	0	2,039
Corporate Resources	Review of model of financial support services across the council, maximising the benefits of new Oracle IT system - Exchequer Services	345	345	0	0
	Review of Exchequer Services	101	77	0	24
	Align Council Tax hardship budget to expected demand	100	100	0	0
	Council Tax support scheme increased top slice	900	900	0	0
	LWP Budget focus on fuel poverty support to residents	100	100	0	0
	Review of Legal and Democratic Services	164	164	0	0
	Review School Appeals processes and provision	36	36	0	0
	Revs/Bens and OSS	385	385	0	0
	Review of model of HR support across the council, maximising the benefits of new Oracle IT system	396	396	0	0
	Review of MEC	450	450	0	0
	Review of Neighbourhood Management and Area Forums	0	0	0	0
	Review of Community Safety	0	0	0	0
	MRP Reprofiting	1,953	1,953	0	0
	Levy and corporate benefits budgets	691	691	0	0
	Pay modelling balance	820	820	0	0
	Revised Options	990	990	0	0
	Total Chief Executives	7,431	7,407	0	24
TOTAL		37,200	33,503	471	3,226

Appendix D

Reserves Positions – Closing Position 2022/23

Service	Opening balance 01/04/22	Activity in Year 2022/23	Closing balance 31/03/23	Category of Closing Balance 2022/23						
				Legal requirements	Existing commitments	To cover key areas of future spend	To cover key areas of risk	Service general contingencies	Available for re- allocation	To cover Collection Fund Timing Differences
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Adult Services	17,795	(4,552)	13,243	8,521	148	4,653	0	(79)	0	0
Public Health	8,813	(5,173)	3,640	0	2,934	0	0	706	0	0
Children Services	10,423	(6,008)	4,415	1,861	3,202	1,772	1,659	(4,079)	0	0
Housing	3,381	(323)	3,058	581	1,691	16	564	206	0	0
Deputy Leader	3,913	(312)	3,601	3,083	462	56	0	0	0	0
Regeneration	600	(47)	553	0	122	108	323	0	0	0
Highways & Transport	20	39	59	0	59	0	0	0	0	0
Strategic Housing & Planning	107	0	107	0	45	62	0	0	0	0
Environment Delivery	950	(695)	255	164	91	0	0	0	0	0
Stronger Communities	3,894	(177)	3,717	0	1,168	2,549	0	0	0	0
Leader	4,848	(339)	4,509	0	1,375	402	0	2,732	0	0
Corporate Resources	3,910	0	3,910	0	0	0	3,910	0	0	0
Corporate Accounting	22,558	0	22,558	22,558	0	0	0	0	0	0
General Fund Balance - Collection Fund	9,873	(9,873)	0	0	0	0	0	0	0	0
Financial Arrangements	46,438	(14,621)	31,817	135	13,668	15,498	2,516	0	0	0
General Fund	10,660	0	10,660	10,660	0	0	0	0	0	0
Total Revenue	148,183	(42,081)	106,102	47,563	24,965	25,116	8,972	(514)	0	0
Total Capital	52,969	(13,522)	39,447	0	39,447	0	0	0	0	0
Total of Revenue & Capital Reserves (excluding Schools)	201,152	(55,603)	145,549	47,563	64,412	25,116	8,972	(514)	0	0
Schools Reserves (excluding Debit DSG Reserve)	17,357	(2,539)	14,818	12,109	2,709	0	0	0	0	0
Usable Reserves	218,509	(58,142)	160,367	59,672	67,121	25,116	8,972	(514)	0	0
memo - Debit DSG Reserve	(18,186)	1,547	(16,639)	(16,639)	0	0	0	0	0	0
Usable Reserve less Debit DSG Reserve	200,323	(56,595)	143,728	43,033	67,121	25,116	8,972	(514)	0	0