

<b>Committee:</b>	<b>Dated:</b>
Community and Children's Services	29/01/21
<b>Subject:</b> Departmental Budget Estimates Community and Children's Services excluding HRA	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>1,2,3,4,9,12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>Report of:</b> Andrew Carter, Director of Community and Children's Services The Chamberlain	<b>For Approval</b>
<b>Report authors:</b> Louise Said - Chamberlains Department	

### Summary

This report presents for approval the budget estimates for the Department of Community & Children's Services for 2021/22. This report presents, at Appendix 1, the budget estimates for 2021/22 for the Community and Children's Services Department excluding HRA of which a summary is shown in the table below. The proposed budget has been prepared within the resource envelope allocated to each Director by Resource Allocation Sub Committee, including the Department's Target Operating Model (TOM) efficiency savings of 6%:

#### Summary of Appendix 1

<b>Table 1</b>	<b>Original budget 2020/21 £'000</b>	<b>Original budget 2021/22 £'000</b>	<b>Movement original 2020/21 to original budget 2021/22 £'000</b>
Expenditure	(27,710)	(28,334)	(624)
Income	16,111	16,093	(18)
Support services and capital charges	(2,052)	(1,952)	100
<b>Total net expenditure</b>	<b>(13,651)</b>	<b>(14,193)</b>	<b>(542)</b>

## **Recommendation**

Members are asked to:

- i) review and approve the Community and Children's Services Department's (excluding HRA) proposed revenue budget for 2021/22 for submission to Finance Committee,
- ii) review and approve the Community and Children's Services Department's (excluding HRA) proposed capital and supplementary revenue projects budgets for 2021/22 for submission to Finance Committee,
- iii) authorise the Chamberlain, in consultation with the Director of Community and Children's to revise these budgets to allow for any further implications arising from Corporate Projects, changes to the Cyclical Works Programme and realignment of budgets emanating from the new Target Operating Model,
- iv) agree that minor amendments for 2020/21 and 2021/22 budgets arising during budget setting be delegated to the Chamberlain,
- v) note the factors taken into consideration in compiling the Community and Children's Services Department's Business Plan, including efficiency measures

## **Main Report**

### **Background**

- The Community & Children's Services Committee oversees three main service areas:
  - People Services (which includes Adult Services & Children & Families Services)
  - Commissioning and Partnerships (which includes Commissioned Services)
  - Housing Services (including the Housing Revenue Account)

### **Departmental budget estimates for 2021/22**

1. This report presents, at Appendix 1, the budget estimates for 2021/22 for the Community and Children's Services Department analysed between:
  - Local Risk budgets – these are budgets deemed to be largely within the Chief Officer's control.
  - Central Risk budgets – these are budgets comprising specific items where a chief officer manages the underlying service, but where the eventual financial out-turn can be strongly influenced by external factors outside of his/her control or are budgets of a corporate nature (such as interest on balances and rent incomes from investment properties).

- Support Services and Capital Charges – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk. Further analysis can be found in Appendix 2

### **Proposed Revenue budget for 2021/22**

2. The provisional 2021/22 budgets, under the control of the Director of Community and Children’s Services being presented to your Committee, have been prepared in accordance with guidelines agreed by the Policy and Resources and Finance Committees. These include continuing the implementation of the required budget reductions across local risk, as well as the proper control of transfers of non-staffing budget to staffing budgets. The proposed budget has been prepared within the resource envelope allocated to each Director by Resource Allocation Sub Committee, including the Department’s Target Operating Model (TOM) efficiency savings of 6%.
3. Overall, the 2021/22 provisional revenue budget total £14.2 million, an increase of £542,000 when compared with the original budget for 2020/21. The main reasons for this increase are:
  - During the year, the Policy and Resources Committee agreed £1.5m of additional resources in relation to the Homelessness growth bid to deliver additional accommodation and services to reduce the occurrence, duration and impact of rough sleeping in the Square Mile
  - Total reduction of £905,000 as a result of the ongoing Fundamental review and the 6% savings required in order to enable a balanced City Fund budget across the medium term
  - During the year, the Community Safety team was transferred to this Committee from Town Clerks which resulted in an increase in budget of £226,000
  - The 2020/21 original budget included one off resources agreed from the Priorities Investment Pot in relation to a mental health centre which has not been included in the 2021/22 budget of £168,000.
  - Decrease in support service costs and capital recharges of £100,000.
4. An analysis of service expenditure is provided in Appendix 1. Expenditure and unfavourable variances are presented in brackets. Only significant variances (generally those greater than £100,000) have been commented on in the following paragraphs.
  - The increase in supplies and services is largely due to additional resources agreed in relation to the Homelessness growth bid to deliver additional accommodation and services to reduce the occurrence, duration and impact of rough sleeping in the Square Mile

- Third party payments overall have decreased by £114,000 due in the main to movements in social care clients. This budget is very volatile and a small change in client numbers / circumstances can have a major effect on the budget requirements. The 2021/22 original budget reflects the current client portfolio.
- Analysis of the movement in total manpower and related staff costs are shown in Table 2 below

## 5. Staffing Statement

Analysis of the movement in staff related costs are shown in the table below. There is an increase of £121,000 in employee expenditure between the 2020/21 original budget and 2021/22 original budget. Factors influencing this overall increase are a provision for pay award, incremental progression along with additional budget in relation to the Community Safety Team which was transferred from Town Clerks to this Committee during the year.

Table 2	Original Budget 2020/21		Latest Approved Budget 2020/21		Original Budget 2021/22	
	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
People Services	65	(3,849)	70	(4,113)	65	(3,789)
Partnership Services (including Central Directorate)	37	(2,342)	40	(2,587)	40	(2,534)
Housing Services	11	(583)	11	(589)	11	(572)
<b>TOTAL COMMUNITY AND CHILDREN'S SERVICES</b>	<b>113</b>	<b>(6,774)</b>	<b>121</b>	<b>(7,289)</b>	<b>116</b>	<b>(6,895)</b>

The 2020/21 Latest Approved Budget includes additional staff employed in relation to the expanded programme of homeless prevention, including the No First Night Out and Rough Sleepers initiatives. The Latest Approved budget also includes staff on fixed term contracts which come to an end this year. These are met from the government grant and will not impact on the Director's overall local risk budget.

### Potential Further Budget Developments

6. The provisional nature of the 2021/22 revenue budget recognises that further revisions may be required, including in relation to:
  - decisions on funding of the Additional Works Programme by the Resource Allocation Committee

- budget adjustments relating to the Surveyors Repairs and Maintenance projects.
- budget adjustments to align with the new Target Operating Model.

### Revenue Budget 2020/21

- An in-year re-budgeting exercise has been undertaken corporately to assist in repairing the damage to the City's budgets arising from the COVID-19 pandemic. The 2020/21 latest approved budget has been increased by £184,000 following Court of Common Council approval on 3 December 2020.
- The current forecast out-turn for 2020/21 is expected to be underspent by up to £200k. The reason for the underspend this year is due to a successful bid for funding from Ministries of Housing, Communities and Local Government. Appendix 4 shows the movement between the Original Budget 2020/21 and the Latest Approved Budget 2020/21

### Draft Capital and Supplementary Revenue Project budgets for 2021/22

- The latest estimated costs of the Committee's current capital and supplementary revenue projects are summarised in the Table below.

Service	Project	Exp. Pre 01/04/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Later Years £'000	Total £'000
	<b><u>Authority to start work granted</u></b>						
The Aldgate School	Early years Extension Grant	0	64				64
The Aldgate School	CCTV Grant	0	55				55
Public Health	City Mental Health Centre	113	390				503
Public Health	Disabled Facilities	7	35	35	35		112
Community Development	Golden Lane Playground	314	22				336
Community Development	Relocation of ASES	277	10				287
<b>TOTAL COMMUNITY &amp; CHILDREN'S SERVICES EXCLUDING HRA</b>		<b>711</b>	<b>576</b>	<b>35</b>	<b>35</b>	<b>0</b>	<b>1,357</b>

- All schemes are in progress and should be complete within the current financial year, with the exception of the Disabled Facilities grant-funded works which are reactive.
- The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2021.

## **Business Planning for 2021/22**

12. A separate report is presented to this committee containing the high-level business plan.
13. This section outlines the following:
  - the factors taken into consideration in compiling the Business Plan and setting priorities,
    - how the 2021/22 efficiency target of 6% will be delivered
    - what the Department will be doing differently compared to 2020/21 and
    - how the Department will drive Value for money
14. The objectives for the departmental business plan were agreed by Members of the Community and Children's Services Committee following a consultative process with Members and Senior Officers. Specific workstreams were developed by Senior Officers and individual teams reflecting the departmental business plan objectives and statutory requirements.
15. The balance of delivery and spend is driven by our statutory responsibilities in response to presenting needs, changes in the external environment and national policy drivers. Where statutory service demand has increased, the department has reallocated or sought additional resources. The Co-vid pandemic has created significant changes in the external environment and national policy which we have had to respond to.
16. The 6% efficiency target for the Department will be delivered through reducing the use of temporary staff, savings associated with new ways of working and opportunities for savings in the commissioning budget when existing services are recommissioned.
17. There are also opportunities to be more efficient where we secure added value from services for no additional cost to the City Corporation – for example where the rough sleeping outreach was recommissioned recently, an increased level of service provision was secured for 8% less than the allocated budget, and has successfully maximised the utility of partnership grant funding.
18. The Department, along with all others, has undergone a rigorous process of examining all service areas and identifying savings and assessing their potential impacts.
19. Delivery is evidenced and tested by a comprehensive set of performance and outcome indicators. These indicators are monitored, and remedial action is taken where necessary. We benchmark performance through bodies such as London Councils and HouseMark.

## **Corporate & Strategic Implications**

20. The work of the Department contributes to the following Corporate Plan priorities:
- 1: People are safe and feel safe
  - 2: People enjoy good health and wellbeing
  - 3: People have equal opportunities to enrich their lives and reach their full potential
  - 4: Communities are cohesive and have the facilities they need
  - 9: We are digitally well connected and responsive
  - 12: Our spaces are secure, resilient and well maintained

## **Security implications**

21. There are no specific security implications in relation to the budget or business plan but many of our workstreams contribute to the departmental priority 'safe' with the aim of people of all ages living in safe communities, our homes are safe and well maintained and our estates are protected from harm.

## **Public sector equality duty**

22. Promoting equality, fostering good relations and reducing discrimination are all integral elements of the work of the department as demonstrated in some of the work included in the high-level summary business plan. The department specifically considers this in service and policy development through Tests of Relevance and Equality Impact Assessments.

## **Conclusion**

23. This report presents the budget estimates for the Community & Children's Services Department for Members to consider and approve.

## **Appendices**

- Appendix 1 – Committee Summary Budget – City Fund
- Appendix 2 – Support Services and Capital Charges from / to Community & Children's Services Committee
- Appendix 3 – Capital Project Bids for 2021/22
- Appendix 4 – Original 2020/21 budget to Latest Approved 2020/21 Budget
- Appendix 5- Original 2020/21 Budget to Original 2021/22 budget
- Appendix 6 – Schedule of 6% savings

## **Louise Said**

Senior Accountant, Chamberlains

T: 020 7332 1917

E: Louise.said@cityoflondon.gov.uk

## Appendix 1: Community and Children's Services Summary – City Fund

Analysis of Service Expenditure	Local or Central Risk	Actual 2019/20 £'000	Original Budget 2020/21 £'000	Latest Approved Budget 2020/21 £'000	Original Budget 2021/22 £'000	Movement 2020-21 to 2021-22 £'000	Para ref
<b>EXPENDITURE</b>							
Employees	L	(6,776)	(6,294)	(6,709)	(6,365)	(71)	5
Employees – mainly social workers dealing with Asylum Seekers and staff paid by Dedicated Schools Grant (DSG)	C	(520)	(480)	(580)	(530)	(50)	5
Premises Related Expenses(see note i)	L	(341)	(271)	(271)	(273)	(2)	
Premises Related Expenses (SRP: Islington Arts Factory)	C	(21)	(42)	(42)	(42)	0	
City Surveyor – R&M	L	(9)	(9)	(9)	(6)	3	
Transport-related Expenses	L	(19)	(21)	(24)	(18)	3	
Home to School Transport (met from DSG)	C	(88)	(72)	(72)	(72)	0	
Supplies and Services (mainly professional fees which are largely met from grant income plus expenses relating to contracts such as Broadway)	L	(4,814)	(3,927)	(5,197)	(4,776)	(849)	4
Supplies and Services (mainly costs of our private, voluntary and independent childcare providers which are met from DSG)	C	(500)	(607)	(899)	(430)	177	4
Third Party Payments (mainly social care clients plus contract costs such as Toynbee Hall Advice and providers of adult learning)	L	(4,388)	(5,237)	(6,868)	(5,098)	139	4
Third Party Payments (mainly agency costs relating to asylum seekers plus costs that are met from DSG)	C	(4,860)	(4,388)	(4,861)	(4,413)	(25)	
Transfer Payments (mainly payment to Fusion Lifestyle funded by income from London Marathon Charitable Trust)	L	(133)	(190)	(190)	(139)	51	
Rent allowances – funded by Department for Work and Pensions (DWP) rent benefit rebates)	C	(4,061)	(6,172)	(6,172)	(6,172)	0	
Capital charges	C	(7)	0	0	0	0	
<b>Total Expenditure</b>		<b>(26,537)</b>	<b>(27,710)</b>	<b>(31,894)</b>	<b>(28,334)</b>	<b>(624)</b>	
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Analysis of Service Expenditure							
	Local or Central Risk	Actual 2019/20 £'000	Original Budget 2020/21 £'000	Latest Approved Budget 2020/21 £'000	Original Budget 2021/22 £'000	Movement 2020-21 to 2021/22 £'000	Para ref
<b>INCOME</b>							
Government Grants (mainly Public Health and Skills Funding Agency grant income)	L	3,450	3,277	4,583	3,276	(1)	
Government Grants (mainly DSG, DWP rent benefit rebates, Home Office funding)	C	8,578	10,395	10,839	10,461	66	
other grants, reimbursements and contributions (mainly B&B rent allowances, S256 Monies and London Marathon Charitable Trust	L	833	594	732	546	(48)	
other grants, reimbursements and contributions (City's Cash contributions towards Toynbee Hall contract and Strings project at The Aldgate School)	C	167	184	304	184	0	
Customer, client receipts (mainly fee income and client contributions towards their social care packages)	L	975	955	975	883	(72)	
Customer, client receipts	C	37	35	117	35	0	
Transfers from Public Health Reserve	L	133	93	93	130	37	
Transfer from Parking Meter Reserves (in relation to concessionary fares and taxi cards)	C	583	578	578	578	0	
Recharge to capital project	L	0	0	0	0	0	
<b>Total Income</b>		<b>14,756</b>	<b>16,111</b>	<b>18,221</b>	<b>16,093</b>	<b>(18)</b>	
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>		<b>(11,448)</b>	<b>(11,599)</b>	<b>(3,673)</b>	<b>(12,241)</b>	<b>(642)</b>	
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>							
Central Support Services and Capital Charges		(2,563)	(2,427)	(2,428)	(2,312)	115	App 2
Recharges within Fund		333	375	333	360	(15)	
<b>Total Support Services and Capital Charges</b>		<b>(2,230)</b>	<b>(2,052)</b>	<b>(2,095)</b>	<b>(1,952)</b>	<b>100</b>	
<b>TOTAL NET (EXPENDITURE) / INCOME</b>		<b>(14,011)</b>	<b>(13,651)</b>	<b>(15,768)</b>	<b>(14,193)</b>	<b>(542)</b>	

Notes – Examples of types of service expenditure:

- (i) Premises Related Expenses – includes repairs and maintenance, energy costs, rates, and water services.

## Appendix 2: Support Service and Capital Charges from/to Community and Children's Services Committee

Support Service and Capital Charges	Actual 2019/20 £000	Original Budget 2020/21 £000	Latest Approved Budget 2020/21 £000	Original Budget 2021/22 £000
Administrative Buildings	(261)	(285)	(285)	(254)
City Surveyor's Employee Recharge	(1)	(1)	(1)	(1)
Insurance	(52)	(54)	(58)	(56)
IS Recharges – Chamberlain	(710)	(634)	(634)	(606)
Capital Charges	(481)	(461)	(458)	(486)
Support Services –				
Chamberlain	(419)	(407)	(407)	(356)
Comptroller and City Solicitor	(199)	(101)	(101)	(162)
Town Clerk	(255)	(295)	(295)	(230)
City Surveyor	(60)	(63)	(63)	(63)
CPS	(125)	(126)	(126)	(98)
<b>Total Support Services and Capital Charges</b>	<b>(2,563)</b>	<b>(2,427)</b>	<b>(2,428)</b>	<b>(2,312)</b>
<b>Recharges Within Funds</b>				
Corporate and Democratic Core – Finance Committee	32	32	32	32
HRA	255	297	252	273
Barbican Residential Committee	46	46	49	55
<b>Total Support Service and Capital Charges</b>	<b>(2,230)</b>	<b>(2,052)</b>	<b>(2,095)</b>	<b>(1,952)</b>

### **Appendix 3 (Community and Children's Services)**

Capital Project Bids for 2021/22

Project - Golden Lane Leisure Centre Site Restoration Project  
Status: - On a reserve list so not approved in principle at this stage however alternative funding being sought from CWP

#### Appendix 4: Movement between 2020/21 Original Book Budget and 2020/21 Latest Approved Budget

	<b>£'000</b>
Original Budget 2020/21 (Excluding support service and capital charges)	(11,599)
Increase in Local risk budget as agreed by Policy & Resources (growth bid for homelessness)	(1,175)
Increase in Local risk as a result of the corporate in year re- budgeting exercise	(184)
Increase in Local risk due to successful bids from the Covid contingency fund	(297)
Increase in Central risk base budget due to successful bids from the Priorities Investment Pot	(142)
Net transfer of budget from Town Clerks (mainly due to the transfer of the community safety team to DCCS)	(203)
Other adjustments	(73)
<b>Latest Approved Budget (excluding support services and capital charges)</b>	<b>(13,673)</b>

#### Appendix 5: Movement between 2020/21 Original Book Budget and 2021/22 Original Book Budget

	<b>£'000</b>
Original Budget 2020/21 (Excluding support service and capital charges)	(11,599)
Increase in Local risk budget as agreed by Policy & Resources (growth bid for Homelessness)	(1,515)
Decrease in Central risk base budget due to removal of the Prioritise Investment Pot budgets as these were one off.	168
Previously agreed Fundamental review savings due in 2021/22	255
New additional savings required	650
Net transfer of budget from Town Clerks (mainly due to the transfer of the community safety team to DCCS)	(203)
Decrease in Surveyors repairs and maintenance charge	3
<b>Original Budget 2021/22 (excluding support services and capital charges)</b>	<b>(12,241)</b>

## Appendix 6: Schedule of savings 2020/21

Directorate	Amount of Saving £,000	Comments
Peoples Services	465	<p>Includes external review of double handed and high cost domiciliary care provision to recommend equipment and practices to reduce longer term costs along with vacant posts within the directorate which have been offered up as savings.</p> <p>Also include income generation in relation to services provided to the Aldgate School such as Education Psychologist services and education welfare services.</p>
Commissioning & Partnerships	141	Largely met by the rendering of contracts and vacant posts which will be removed from the staff establishment
Housing	44	Reduction in the community events budget along with some staff restructures (staff doing less days per week)