

Committee:	Dated:
Community and Children's Services	17/12/21
Subject: Departmental Budget Estimates Community and Children's Services excluding HRA	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,3,4,9,12
Does this proposal require extra revenue and/or capital spending?	N
Report of: Andrew Carter, Director of Community and Children's Services The Chamberlain	For Approval
Report author: Louise Said - Chamberlains Department	

Summary

This report presents for approval the budget estimates for the Department of Community & Children's Services for 2022/23. This report presents, at Appendix 1, the budget estimates for 2022/23 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.

Summary of Appendix 1

Table 1	Original budget 2021/22 £'000	Original budget 2022/23 £'000	Movement original 2021/22 to original budget 2022/23 £'000
Expenditure	(28,334)	(29,641)	(1,307)
Income	16,093	16,500	407
Support services and capital charges	(1,951)	(2,383)	(432)
Total net expenditure	(14,192)	(15,524)	(1,332)

Recommendation

Members are asked to:

- i) review and approve the Community and Children's Services Department's (excluding HRA) proposed revenue budget for 2022/23 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 2022/23 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 2021/22 and 2022/23 budgets arising during the corporate budget setting period 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 2022/23

1. This report presents, at Appendix 1, the budget estimates for 2022/23 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 2022/23

2. The provisional 2022/23 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. In order to come back to the resource envelope allocated to each Director by Resource Allocation Sub Committee, we have had to include an unidentified savings budget of £250k due to ongoing pressures within children's services due to high cost placements. The Director is aware and will need to find savings equivalent to this during the year.
3. Overall, the 2022/23 provisional revenue budget total £15.5 million, an increase of £1.3 million when compared with the original budget for 2021/22. The main reasons for this increase are:
 - Additional resources totalling £960k were agreed by the Policy and Resources Committee in relation to the High Support Hostel and 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 £126,000 as a result of the ongoing Fundamental review
 - Additional resources totalling £68,000 were agreed to compensate for the increase in National Insurance contributions from April 2022 along with the pay award for grades A-C and budget for an apprentice
 - Increase in support service costs and capital recharges of £432,000
 - Decrease in Surveyors Repairs & Maintenance budget of £3,000
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 and high support hostel to deliver additional accommodation and services to reduce the occurrence, duration and impact of rough sleeping in the Square Mile. In addition, the supplies and services budget within Public Health has also increased as budgets are aligned to the new Service Level Agreement with Hackney.

- Third party payments overall have decreased by £342,000 due in the main to movements within the public health budget as these have been realigned to the new SLA. All costs within the Public Health service area are met from the grant and have no impact on the Directors overall Local Risk budget. Members should note that the cost of social care placements largely fall under third party payments and these have increased in total by £357,000 but due to the realignment of the Public health budgets the overall third party payment budget has decreased. The care costs are calculated based on the current client portfolio and an unidentified savings budget of £250k has been included in order to bring the overall Directors budget back to the resource base agreed by RASC.
- Government grant income has increased as the budgets are based on the most recent allocations and include increases to the Dedicated Schools Grant, Homelessness prevention pot and Public Health sexual health grant.
- Members should note that the Cyclical Works Programme (CWP) figures included in this report relate only to elements of previously agreed programmes, which will be completed in 2021/22 & 2022/23. The separate bid for CWP works in 2022/23 has not been included in this report, as it is to be considered by Corporate Asset sub-committee in November, and then subsequently by Resource Allocation sub-committee to agree the funding. Once both sub-committees have agreed the 2022/23 programme Members will be advised of the outcome and the estimates adjusted accordingly
- 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 £424,000 in employee expenditure between the 2021/22 original budget and 2022/23 original budget. Factors influencing this overall increase are a provision for pay award for Grades A-C and incremental progression. In addition, there are new posts included in the 22/23 Original budget which are met from the Dedicated Schools Grant, Rough sleepers initiative and other grants and have no impact on the Directors overall Local or Central risk budgets.

Table 2	Original Budget 2021/22		Latest Approved Budget 2021/22		Original Budget 2022/23	
	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
People Services	65	(3,789)	72	(4,358)	76	(4,366)
Partnership Services (including Central Directorate)	41	(2,534)	44	(2,534)	42	(2,388)
Housing Services	12	(572)	12	(573)	11	(565)
TOTAL COMMUNITY AND CHILDREN'S SERVICES	118	(6,895)	128	(7,465)	129	(7,319)

Potential Further Budget Developments

6. The provisional nature of the 2022/23 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 2021/22

7. The current forecast local risk out-turn for 2021/22 is currently expected to be overspent by up to £475,000. The reason for this adverse variance is due to the cost pressures within child social care of maintaining temporary staff in position and the continued presence of a number of high cost placements. The service is urgently reviewing these as a result and we expect this overspend to reduce during the year.
8. The central risk budget is also facing pressures due to the number of asylum seekers that are 18 years or older for which we attract little or no government funding. The overspend could possibly reach £550k by the end of the financial year and a separate paper focusing on the current and longer term position of this budget is being prepared as this is an ongoing funding issue.

Appendix 4 shows the movement between the Original Budget 2021/22 and the Latest Approved Budget 2021/22

Draft Capital and Supplementary Revenue Budgets

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

Service	Project	Exp. Pre 01/04/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Later Years £'000	Total £'000
	<u>Pre-Implementation</u>						
Public Health	Assessment Centre for Rough Sleepers	-	72	11	-	-	83
Community Development	Golden Lane Area Lighting & Accessibility	-	5	10	-	-	15
	<u>Authority to start work</u>						
Public Health	Disabled Facilities	60	57	35	-	-	152
Community Development	Golden Lane Playground	314	7	-	-	-	321
Public Health	Spitalfields - Water System Testing	2	1	-	-	-	3
TOTAL COMMUNITY & CHILDREN'S SERVICES EXCLUDING HRA		376	142	56	-	-	574

10. Pre-implementation costs comprise feasibility/option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work.
11. Therefore the above figures do not include the cost of implementing the Assessment Centre for Rough Sleepers and Golden Lane Area Lighting & Accessibility projects which are subject to further gateway approvals.
12. 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 2022.

Business Planning for 2022/23

13. A separate report will be presented to this committee in January 2022 containing the high-level business plan.
14. 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
15. 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.
 16. 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 Covid pandemic has created significant changes in the external environment and national policy which we have had to respond to.
 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 The new City Advice Service contract was awarded to Toynbee after a competitive tender process and the new service commenced on 1st November 2021. The value of the contract remained the same but has secured additional non cashable savings, efficiencies and increased social value such as more efficient use of advisor time through a new appointment booking system time, free downloadable legal resource packs, guides and template letters on key topics and provides access for City of London service users to a number of Toynbee led community activities.
 18. The new City Advice Service contract was awarded to Toynbee after a competitive tender process and the new service commenced on 1st November 2021. The value of the contract remained the same but has secured additional non cashable savings and efficiencies such as more efficient use of advisor time through a new appointment booking system time, free downloadable legal resource packs, guides and template letters on key topics and provides access for City of London service users to a number of Toynbee led community activities. The model also includes the recruitment of community advocates to assess contract outcomes for service users. Toynbee were able to demonstrate they offer social value above contractual requirements to local residents through a large range of initiatives including locally focused charitable activity, work with City based law firms to increase pro bono advice and a new offer of a community commissioning model to community centre activities.
 19. The Department, along with all others, has undergone a rigorous process of examining all service areas and identifying savings and assessing their potential impacts.
 20. 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

21. 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

22. 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

23. 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

24. 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 2022/23
- Appendix 4 – Original 2021/22 budget to Latest Approved 2021/22 Budget
- Appendix 5- Original 2021/22 Budget to Original 2022/23 budget

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

Analysis of Service Expenditure	Local or Central Risk	Actual 2020/21 £'000	Original Budget 2021/22 £'000	Latest Approved Budget 2021/22 £'000	Original Budget 2022/23 £'000	Movement 2021-22 to 2022-23 £'000	Para ref
EXPENDITURE							
Employees	L	(7,540)	(6,365)	(6,648)	(6,591)	(226)	5
Employees – mainly social workers dealing with Asylum Seekers and staff paid by Dedicated Schools Grant (DSG)	C	(712)	(530)	(826)	(728)	(198)	5
Premises Related Expenses(see note i)	L	(418)	(273)	(367)	(283)	(10)	
Premises Related Expenses (SRP: Islington Arts Factory)	C	(318)	(42)	(37)	(2)	40	
City Surveyor – R&M	L	(2)	(6)	(253)	(3)	3	
Transport-related Expenses	L	(8)	(18)	(18)	(14)	4	
Home to School Transport (met from DSG)	C	(62)	(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	(5,587)	(4,776)	(5,147)	(6,144)	(1,368)	4
Supplies and Services (mainly costs of our private, voluntary and independent childcare providers which are met from DSG)	C	(536)	(430)	(771)	(579)	(149)	4
Third Party Payments (mainly social care clients plus contract costs such as Toynbee Hall Advice and providers of adult learning)	L	(6,943)	(5,098)	(6,627)	(4,792)	306	4
Third Party Payments (mainly agency costs relating to asylum seekers plus costs that are met from DSG)	C	(5,355)	(4,413)	(4,847)	(4,377)	36	
Transfer Payments (mainly payment to Fusion Lifestyle funded by income from London Marathon Charitable Trust)	L	(52)	(139)	(205)	(134)	5	
Rent allowances – funded by Department for Work and Pensions (DWP) rent benefit rebates)	C	(3,847)	(6,172)	(6,172)	(6,172)	0	
Capital charges	C	(391)	0	0	0	0	
Unidentified Savings	L	0	0	0	250	250	4

Total Expenditure		(31,771)	(28,334)	(31,990)	(29,641)	(1,307)	
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Analysis of Service Expenditure							
	Local or Central Risk	Actual 2020/21 £'000	Original Budget 2021/22 £'000	Latest Approved Budget 2021/22 £'000	Original Budget 2021/22 £'000	Movement 2020-21 to 2021/22 £'000	Para ref
INCOME							
Government Grants (mainly Public Health and Skills Funding Agency grant income)	L	5,975	3,276	5,206	3,397	121	4
Government Grants (mainly DSG, DWP rent benefit rebates, Home Office funding)	C	8,537	10,461	11,060	10,762	301	4
other grants, reimbursements and contributions (mainly B&B rent allowances, S256 Monies and London Marathon Charitable Trust)	L	1,011	546	731	628	82	
other grants, reimbursements and contributions (City's Cash contributions towards Toynbee Hall contract and Strings project at The Aldgate School)	C	467	184	334	188	4	
Customer, client receipts (mainly fee income and client contributions towards their social care packages)	L	814	883	883	918	35	
Customer, client receipts	C	95	35	55	0	(35)	
Transfers from Public Health Reserve	L	147	130	130	29	(101)	
Transfer from Parking Meter Reserves (in relation to concessionary fares and taxi cards)	C	605	578	578	578	0	
Recharge to capital project	L	0	0	0	0	0	
Total Income		17,651	16,093	18,977	16,500	407	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		(14,120)	(12,241)	(13,013)	(13,141)	(900)	
SUPPORT SERVICES AND CAPITAL CHARGES							
Central Support Services and Capital Charges		(2,915)	(2,311)	(2,670)	(2,434)	(123)	App 2

Recharges within Fund		72	360	85	51	(309)	
Total Support Services and Capital Charges		(2,843)	(1,951)	(2,585)	(2,383)	(432)	
TOTAL NET (EXPENDITURE) / INCOME		(16,963)	(14,192)	(15,598)	(15,524)	(1,332)	

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 2020/21 £000	Original Budget 2021/22 £000	Latest Approved Budget 2021/22 £000	Original Budget 2022/23 £000
Administrative Buildings	(268)	(254)	(270)	(265)
City Surveyor's Employee Recharge	(1)	(1)	(1)	(1)
Insurance	(60)	(56)	(55)	(55)
IS Recharges – Chamberlain	(913)	(606)	(721)	(551)
Capital Charges	(458)	(485)	(485)	(503)
Support Services –				
Chamberlain	(515)	(356)	(468)	(439)
Comptroller and City Solicitor	(263)	(162)	(213)	(200)
Town Clerk	(259)	(230)	(298)	(279)
City Surveyor	(74)	(63)	(84)	(80)
CPS	(104)	(98)	(75)	(61)
Total Support Services and Capital Charges	(2,915)	(2,311)	(2,670)	(2,434)
Recharges Within Funds				
Corporate and Democratic Core – Finance Committee	32	32	32	32
HRA	0	273	0	0
Barbican Residential Committee	40	55	53	19
Total Support Service and Capital Charges	(2,843)	(1,951)	(2,585)	(2,838)

Appendix 3 (Community and Children's Services)

Capital Project Bids for 2022/23

Project - Social Care Case Management System
Status: - This project has been included on the green list and has been agreed in principle at the initial review by RASC in November 2021.

Appendix 4: Movement between 2021/22 Original Book Budget and 2021/22 Latest Approved Budget

	£'000
Original Budget 2021/22 (Excluding support service and capital charges)	(12,246)
Increase in Local risk budget as agreed by Policy & Resources towards costs of a High Support Hostel	(300)
Decrease in Local risk as a result of the on going fundamental review savings	101
Increase in central risk budget to meet the pension strain	(81)
Increase in Central risk base budget due to successful bids from the Priorities Investment Pot	(216)
Increase in budget due to the changes to the CWP programme	(250)
Other adjustments	(21)
Latest Approved Budget (excluding support services and capital charges)	(13,013)

Appendix 5: Movement between 2021/22 Original Book Budget and 2022/23 Original Book Budget

	£'000
Original Budget 2021/22 (Excluding support service and capital charges)	(12,246)
Increase in Local risk budget as agreed by Policy & Resources (growth bid and high support hostel for Homelessness)	(960)
Previously agreed Fundamental review savings due in 2021/22	126
Increase in budgets to compensate for the National Insurance increase from April 2022 along with pay awards for Grades A-C	(62)
Decrease in Surveyors repairs and maintenance charge	3
Original Budget 2022/23 (excluding support services and capital charges)	(13,141)