

Committee:	Dated:
Community and Children's Services	25 January 2024
Subject: Departmental Budget Estimates Community and Children's Services excluding Housing Revenue Account (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: Executive Director of Community and Children's Services Executive Financial Officer and Chamberlain	For Decision
Report author: Mark Jarvis, Head of Finance- Chamberlains Beatrix Jako, Financial Business Partner - Chamberlains	

Summary

This report presents for approval the budget estimates for the Department of Community & Children's Services for 2024/25, for subsequent submission to Finance Committee.

Overall, the proposed revenue budget for 2024/25 totals (£17.925m), an increase in net expenditure of (£794,000) compared to the 2023/24 original budget of £ (17.131m) agreed by your Committee on 23 January 2023.

The proposed budget for 2024/25 has been prepared within the resource envelope allocated to each Chief Officer by Resource Allocation Sub-Committee, including an inflationary increase of 3% and the full year impact of pay increases to staff arising from the pay deal effective from July 2023.

This report presents, at Appendix 1, the budget estimates for 2024/25 for the Community and Children's Services Department excluding Housing Revenue Account (HRA) of which a summary is shown in the table below.

Summary of Appendix 1

Table 1	Original budget 2023/24 £'000	Original budget 2024/25 £'000	Movement original 2023/24 to original budget 2024/25 £'000
Expenditure	(29,227)	(29,596)	(369)
Income	14,536	14,348	(188)
Support services and capital charges	(2,440)	(2,677)	(237)
Total net expenditure	(17,131)	(17,925)	(794)

Recommendation

Members are asked to:

- i) review and approve the Community and Children's Services Department's (excluding HRA) proposed revenue budget for 2024/25 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 2024/25 for submission to Finance Committee,
- iii) authorise the Chamberlain, in consultation with the Executive Director of Community and Children's to revise these budgets to allow for any further implications arising from Corporate Projects and changes to the Cyclical Works Programme,
- iv) agree that minor amendments for 2023/24 and 2024/25 budgets arising during the corporate budget setting period be delegated to the Chamberlain.

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 2024/25

1. This report presents, at Appendix 1, the budget estimates for 2024/25 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 2024/25

2. The provisional 2024/25 budgets, under the control of the Executive 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 Chamberlains has agreed to grant an additional funding of £470k subject to Court of Common Council's approval in March 2024 under the budget process in relation to Adult Social Care and Children Social Care placement costs. 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 in Local Risk of £126k due to ongoing pressures within children's services as a result of high cost placements.

The central risk budget also contains an unidentified savings budget of £86k which is caused by pressures on the asylum seekers service. Pressures are arising due to the number of individuals those that are turning 18 that will then attract little or no funding from the Home Office. The Chamberlain is aware of these pressures and further discussions are to be had regarding how these are to be funded going forwards.

3. Overall, the 2024/25 provisional revenue budget total £17.925 million, an increase of £794k when compared with the original budget for 2023/24. The main reasons for this increase are:
 - Additional resources of (£385k) to compensate for the July 23 pay award.
 - 3% inflation uplift of (£412K) added to Local risk budgets.

- The budget of (£6k) was transferred across to Commissioning form Culture, Heritage and Libraries in relation to the Portsoken Community Centre/Green Box
 - Decrease in Surveyors Repairs & Maintenance budget of £246k.
 - Increase in central support and capital charges (£237k).
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 £150,000) have been commented on in the following paragraphs.
- Members should note that the Cyclical Works Programme (CWP) figures included in this report relate only to elements previously agreed programmes, which will be completed in 2023/24 and 2024/25. The separate bid for CWP works programme for 2024/25 has not been included in this report. The report will be submitted to Committee in January 2024 and will then require approval from Resource Allocation Sub-Committee to agree the funding. Once both Sub-Committees have agreed the 2024/25 programme Members will be advised of the outcome and Members are asked to authorise the Chamberlain to revise the budgets to allow for these approvals.
 - The increase in supplies and services reflects an increased level of provision in the commissioning budget within Homelessness in relation to Outreach Services, High Support Hostel, Rough Sleepers Assessment Centre, Rough Sleeping Initiative (RSI) and Severe Weather Emergency Protocols (SWEPP) to support homelessness and to reduce the occurrence, duration, and impact of rough sleeping in the Square Mile.
 - Third party payments overall have decreased which is mainly due to the cost of programmes led by the Adult Skills & Education service such as Digital Hub, Skills Bootcamp and Multiply has not been agreed for 2024/25 and therefore excluded from the budget at this stage. However once next year's allocation has been finalised an adjustment will be made to the budget. This is fully met from external funding and has no effect on the overall budget.
 - The 2024/25 original local risk budget includes an unidentified savings of £126k due to ongoing pressures within children's services as a result of high cost placements. The central risk budget also contains an unidentified savings budget of £86k which is caused by pressures on the asylum seekers service. Pressures are arising due to the number of individuals turning 18 which attracts little or no funding from the Home Office.
 - Government grant income has decreased in total as the budgets are based on the most recent allocations and include decreases to the funding from the Home Office due to the number of current asylum seekers turning 18 which the attract little or no funding at all along with reduction in grant from

the Education and Skills Funding Agency and Great London Authority for Adult & Community Learning. The City of London's allocation for 2024/25 which include the Digital Hub, Skills Bootcamps and Multilpy projects for the Adult & Community Learning has not yet been confirmed, however once finalised an adjustment will be made to the budget. This is offset by expenditure and will not affect the Director's overall local risk budget.

- 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 £552,000 in employee expenditure between the 2023/24 original budget and 2024/25 original budget. Factors influencing this overall increase are a provision for pay award and incremental progression.

Table 2	Original Budget 2023/24		Original Budget 2024/25	
	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
People Services	72	(4,516)	49	(3,633)
Partnership Services (including Central Directorate)	43	(2,555)	26	(1,875)
Housing Services	9	(564)	7	(555)
Education and Skills	-	-	43	(2,124)
TOTAL COMMUNITY AND CHILDREN'S SERVICES	124	(7,635)	125	(8,187)

It should be noted that the 2024/25 staffing statement above reflects structural changes in relation to the transfer of Education and Early Years Services to the Education and Skills Unit.

Potential Further Budget Developments

6. The provisional nature of the 2024/25 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 2023/24

7. The current forecast local risk outturn for 2023/24 is currently expected to be overspent by up to £263k. The reason for this adverse variance is due to the cost pressures within child social care and the continued presence of a number of high-cost placements.
8. The central risk budget is projected to overspend by £274k mainly due to the increased cost of benefit administration as well as the number of asylum seekers that are 18 years or older for which we attract little or no government funding.

Appendix 3 shows the movement between the Original Budget 2023/24 and the Latest Approved Budget 2023/24.

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 01/04/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Later Years £'000	Total £'000
	<u>Pre-Implementation</u>						
Community Development	Golden Lane Area Lighting & Accessibility	(1)	(14)	-	-	-	(15)
	<u>Authority to start work</u>						
Public Health	Assessment Centre for Rough Sleepers	(163)	(1,256)	(331)	-	-	(1,750)
Public Health	High Support Hostel	(617)	(55)	-	-	-	(672)
TOTAL COMMUNITY & CHILDREN'S SERVICES EXCLUDING HRA		(781)	(1,325)	(331)	-	-	(2,437)

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. 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 2024.

Business Planning for 2024/25

12. A separate report will be presented to this committee at a later date containing the high-level business plan.

Corporate & Strategic Implications

13. 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

15. 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

16. 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

17. 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 – Original 2023/24 Budget to Latest Approved 2023/24 Budget
- Appendix 4- Original 2023/24 Budget to Original 2024/25 Budget

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

Analysis of Service Expenditure	Local or Central Risk	Actual 2022/23 £'000	Original Budget 2023/24 £'000	Latest Approved Budget 2023/24 £'000	Original Budget 2024/25 £'000	Movement 2023-24 to 2024-25 £'000	Para ref
EXPENDITURE							
Employees	L	(6,808)	(6,877)	(7,457)	(7,408)	(531)	5
Employees – mainly social workers dealing with Asylum Seekers and staff paid by Dedicated Schools Grant (DSG)	C	(3,981)	(758)	(803)	(779)	(21)	5
Premises Related Expenses (see note i)	L	(1,231)	(343)	(378)	(382)	(39)	
Premises Related Expenses (SRP)	C	(292)	(4)	(4)	(4)	0	
City Surveyor – R&M	L	0	(251)	(253)	(5)	246	4
Transport-related Expenses	L	(15)	(15)	(15)	(17)	(2)	
Home to School Transport (met from DSG)	C	(42)	(72)	(72)	(75)	(3)	
Supplies and Services (mainly professional fees which are largely met from grant income plus expenses relating to contracts)	L	(6,503)	(4,857)	(6,539)	(5,923)	(1,066)	4
Supplies and Services (mainly costs of our private, voluntary and independent childcare providers which are met from DSG)	C	(1,215)	(102)	(182)	(98)	4	
Third Party Payments (mainly social care clients plus contract costs and providers of adult learning)	L	(6,989)	(7,003)	(6,797)	(6,236)	767	4
Third Party Payments (mainly agency costs relating to asylum seekers plus costs that are met from DSG)	C	(3,086)	(5,271)	(5,654)	(5,215)	56	
Transfer Payments (mainly payment to Fusion Lifestyle funded by income from London Marathon Charitable Trust)	L	(87)	(113)	(113)	(105)	8	
Rent allowances – funded by Department for Work and Pensions (DWP) rent benefit rebates)	C	(4,105)	(3,561)	(3,561)	(3,561)	0	
Capital charges	C	(926)	0	0	0	0	
Unidentified Savings - Children Social Care	L	0	0	0	126	126	4
Unidentified Savings – Asylum Seekers	C	0	0	31	86	86	
Total Expenditure		(35,280)	(29,227)	(31,797)	(29,596)	(369)	
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Analysis of Service Expenditure							
	Local or Central Risk	Actual 2022/23 £'000	Original Budget 2023/24 £'000	Latest Approved Budget 2023/24 £'000	Original Budget 2024/25 £'000	Movement 2023/24 to 2024/25 £'000	Para ref
INCOME							
Government Grants (mainly Public Health and Skills Funding Agency grant income)	L	5,741	4,002	5,445	3,796	(206)	4
Government Grants (mainly DSG, DWP rent benefit rebates, Home Office funding)	C	10,355	7,719	7,817	7,423	(296)	4
Other grants, reimbursements and contributions (mainly B&B rent allowances, S256 Monies and London Marathon Charitable Trust)	L	1,241	778	966	778	0	
Other grants, reimbursements and contributions (City's Cash contributions towards Toynbee Hall contract and Strings project at The Aldgate School)	C	592	366	560	512	146	
Customer, client receipts (mainly fee income and client contributions towards their social care packages), and rent income for the community centres)	L	1,391	1,083	1,094	1,215	132	
	C	44	0	60	20	20	
Transfer from Reserves (Public Health, Healthwatch & Proceeds of Crime Act POCA reserves)	L	156	10	47	26	16	
Transfer from Parking Meter Reserves (in relation to concessionary fares and taxi cards)	C	410	578	578	578	0	
Total Income		19,930	14,536	16,567	14,348	(188)	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		(15,350)	(14,691)	(15,230)	(15,248)	(557)	
SUPPORT SERVICES AND CAPITAL CHARGES							
Central Support Services and Capital Charges		(2,890)	(2,494)	(2,495)	(2,733)	(239)	App 2
Recharges within Fund		54	54	54	56	2	
Total Support Services and Capital Charges		(2,836)	(2,440)	(2,441)	(2,677)	(237)	
TOTAL NET (EXPENDITURE) / INCOME		(18,186)	(17,131)	(17,671)	(17,925)	(794)	

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 2022/23 £000	Original Budget 2023/24 £000	Latest Approved Budget 2023/24 £000	Original Budget 2024/25 £000
Administrative Buildings	(269)	(295)	(295)	(251)
City Surveyor’s Employee Recharge	(1)	(1)	(1)	(1)
Insurance	(66)	(63)	(64)	(66)
IS Recharges – Chamberlain	(641)	(547)	(547)	(531)
Capital Charges	(526)	(519)	(519)	(556)
Support Services –				
Chamberlain	(581)	(444)	(444)	(556)
Comptroller and City Solicitor	(265)	(201)	(201)	(252)
Town Clerk	(369)	(282)	(282)	(354)
City Surveyor	(106)	(80)	(80)	(100)
CLPS	(66)	(62)	(62)	(66)
Total Support Services and Capital Charges	(2,890)	(2,494)	(2,495)	(2,733)
Recharges Within Funds				
Corporate and Democratic Core – Finance Committee	32	32	32	32
HRA	0	0	0	0
Barbican Residential Committee	22	22	22	24
Total Support Service and Capital Charges	(2,836)	(2,440)	(2,441)	(2,677)

Appendix 3: Movement between 2023/24 Original Book Budget and 2023/24 Latest Approved Budget

Community and Children's Services	£000
Original Net Local and Central Risk Budget (Executive Director Community and Children's Services & City Surveyor)	(14,691)
Executive Director Community and Children's Services	
Pay award July 2023	(299)
Winter payments	(112)
Allocation from Transformation Fund in relation to the Operational Property Review	(80)
Transformation Fund Carry forwards from 2022/23 in relation to the Housing Review	(40)
Virement from Culture, Heritages and Libraries to Commissioning budget regarding the Portsoken Community Centre/Green Box	(6)
City Surveyor	
Planned & Reactive Works including Cleaning	(2)
Latest Approved Net Local and Central Risk Budget (Executive Director Community and Children's Services & City Surveyor)	(15,230)

Appendix 4: Movement between 2023/24 Original Book Budget and 2024/25 Original Book Budget

Community and Children's Services	£000
Original Net Local and Central Risk Budget (Executive Director Community and Children's Services & City Surveyor)	(14,691)
Executive Director Community and Children's Services	
Pay award July 2023	(385)
3% inflation uplift	(412)
Virement from Culture, Heritages and Libraries to Commissioning budget regarding Portsoken Community Centre/Green Box	(6)
City Surveyor	
Surveyors Repairs and Maintenance	246
Latest Approved Net Local and Central Risk Budget (Executive Director Community and Children's Services & City Surveyor)	(15,248)

