

<b>Committee(s)</b>	<b>Dated:</b>
Community and Children's Services – For Information	4 July 2024
<b>Subject:</b> Revenue Outturn 2023/24 – Community and Children's Services Committee (City Fund)	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>1,2,3,4,8,9,12</b>
<b>Report of:</b> The Director of Community and Children's Services and the Chamberlain	<b>For Information</b>
<b>Report author:</b> Beatrix Jako, Chamberlain's Department	

### Summary

This report compares the 2023/24 revenue outturn for the non-Housing Revenue Account (HRA) services overseen by your Committee with the final agreed budget for the year. The Director of Community and Children's Services local risk budget was underspent by £193,000 with an overspend on all risks including recharges of £465,000. This is summarised in the table below.

<b>Summary Comparison of 2023/24 Revenue Outturn with Final Agreed Budget – Community &amp; Children's Services Committee</b>			
	<b>Final Agreed Budget £000</b>	<b>Revenue Outturn £000</b>	<b>Variations (Increase) / Reduction £000</b>
<b>Local Risk</b>	<b>(13,862)</b>	<b>(13,669)</b>	<b>193</b>
Central Risk	(1,258)	(1,817)	(559)
Surveyors R&M	(253)	(11)	242
Total all Risks	(15,373)	(15,497)	(124)
Recharges	(2,441)	(2,782)	(341)
<b>Overall Totals</b>	<b>(17,814)</b>	<b>(18,279)</b>	<b>(465)</b>

- (i) The local risk underspend of £193,000 in People's Services within children social care and older people service areas was mainly due to use of one-off grant reserves relating to the iBCF (improved Better Care Fund) and BCF (Better Care Fund), plus the unbudgeted market sustainability grant paid for the placement uplift costs during the year (see paragraphs 5 and 6).
- (ii) The central risk overspend was mainly due to £396,000 overspend on unaccompanied asylum seeking children and £213,000 overspend on benefits administration (see paragraphs 7,8 and 9).
- (iii) The Surveyors R&M underspend of £242,000 was mainly due to a slippage of cyclical works at the Golden Lane Leisure Centre (see paragraph 10).

(iv) The £341,000 overspend on recharges was mainly due to a new basis for calculating recharges (see paragraph 12).

### Recommendation

It is recommended that this revenue outturn report for 2023/24 is noted.

### Main Report

#### Revenue Outturn for 2023/24

- Actual net expenditure for your Committee's services during 2023/24 totalled £18.279m. A summary comparison with the final agreed budget for the year of £17.814m is tabulated below. In the tables, figures in brackets indicate expenditure or adverse variance. Only significant variances (generally those larger than £100,000) have been commented on in the following paragraphs.

	<b>Final Agreed Budget £000</b>	<b>Revenue Outturn £000</b>	<b>Variations to Final Agreed Budget (Increase) / Reduction £000</b>	<b>Paragraph</b>
<b>Local Risk</b>				
Supervision & Management	(1,632)	(1,659)	(27)	
Partnerships & Commissioned Services	(1,320)	(1,365)	(45)	
Education and Skills	(1,178)	(1,106)	72	
People's Services	(9,112)	(8,831)	281	5,6
Housing Services	(620)	(708)	(88)	
<b>Total Local Risk</b>	<b>(13,862)</b>	<b>(13,669)</b>	<b>193</b>	
<b>Central Risk</b>	(1,258)	(1,817)	(559)	6,7,8,9
<b>Surveyors R&amp;M</b>	(253)	(11)	242	10
<b>Recharges</b>	(2,441)	(2,782)	(341)	12
<b>Overall Totals</b>	<b>(17,814)</b>	<b>(18,279)</b>	<b>(465)</b>	

- A reconciliation of original local risk budget to the final agreed local risk budget is provided in Appendix A.

3. Revenue account reserves levels at start and end of 2023/24 are provided in Appendix B.
4. The 2023/24 final approved central risk budget includes a £60,000 additional funding from the Transformation Fund along with additional resources of £5,000 to cover cost of living staff pay rises effective from July 2023, a budget uplift of £8,000 to cover backdated agency pay (HAYS), and an adjustment of £80,000 relating to the Operational Property Review.

#### Reasons for significant variations

5. There was a net underspend of £281,000 in People's Services within children social care and older people service areas. This was primarily attributable to the one-off allocation of iBCF (improved Better Care Fund) and BCF (Better Care Fund) grant reserves, plus the receipt of the unbudgeted market sustainability grant for placement uplift costs during the year.
6. In general, it should be noted that both the social care and asylum budgets are very volatile and a small change in client numbers could have a major effect on the outturn.
7. The Unaccompanied Asylum Seeking Children (UASC) central risk budget was overspend by £396,000. The funding received from the Home Office is not adequate to cover the full cost of those asylum seekers who have now become care leavers. Once a client turns 18, the funding from the Home Office is reduced and this stops when they turn 21. The city has decided to support these clients until they are 25. In addition, there was an internal review of staff delivering duties for our UASC population. As a result of this review asylum related staff costs of £370,000 were transferred to central risk from local risk.
8. There was a £213,000 adverse variance within Benefit Administration central risk budget. This is largely attributable to a shortfall between housing benefits awarded for temporary accommodations and what the Department for Work and Pensions paid. Some of the accommodations are over their limit and shortage of temporary accommodation at reasonable prices led to the increasing shortfall in this area.
9. The Homes for Ukraine Scheme continued during the year. The costs involved with these programmes have been fully met from government grants and have had no impact on the Directors overall net outturn.
10. Due to slippage of the procurement and delivery timeframe for these cyclical works at the Golden Lane Leisure Centre, the project couldn't be completed by 31 March 2024. However Resource Allocation Sub Committee (RASC) approved a request for one year extension.
11. The table below shows a breakdown of the Capital and Support Services budgets and expenditure.

	<b>Final Agreed Budget £000</b>	<b>Revenue Outturn £000</b>	<b>Variation (Increase)/ Decrease £000</b>
<b>CAPITAL &amp; SUPPORT SERVICES</b>			
Capital Charges	(519)	(587)	<b>(68)</b>
Support Services, including Chamberlains, Comptrollers* & Town Clerks	(1,068)	(1,264)	<b>(196)</b>
Surveyors Employee Recharges	(1)	(2)	<b>(1)</b>
IS Recharges	(547)	(677)	<b>(130)</b>
Guildhall Admin Buildings	(295)	(234)	<b>61</b>
Insurances, including premises & liability	(65)	(73)	<b>(8)</b>
Other recharges	22	23	<b>1</b>
Corporate & Democratic Core	32	32	<b>0</b>
<b>TOTAL CAPITAL &amp; SUPPORT SERVICES</b>	<b>(2,441)</b>	<b>(2,782)</b>	<b>(341)</b>

\*The Comptrollers and City Solicitors department continue to recharge departments for any external legal fees that they have incurred.

12. During 2023/24 a review of central support services recharges was carried out. This involved updating the basis of apportionment for all recharges following the Target Operating Model and Governance Review along with trying to make them more transparent and fairer across all services. The updated basis has led to several variations to the originally budgeted charge across committees, but overall total recharges have remained within the total original envelope. The full review has not yet been formally approved by Members as work is ongoing as how the new basis will affect 2024/25 budgets. Once the review is fully adopted the 2024/25 budget will be reviewed and updated where necessary and the paper on the review made available.

Recharges have a corresponding contra entry in their own accounts. Consequently, these charges have no overall impact on net expenditure for the Corporation as a whole.

### **Local Risk Budget Carry Forward to 2024/25**

13. Chief Officers can request underspends of up to 10% or £500,000 (whichever is the lesser) of the final agreed local risk budget to be carried forward provided the underspending is not fortuitous and the resources are required for a planned purpose. Such requests are subject to the approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resources Allocation Sub Committee.
14. There were no carry forward requests submitted by the Director of Community and Children's Services' which relate to this committee.

## **Corporate & Strategic Implications**

Financial implications: None

Resource implications: None

Legal implications: None

Risk implications: None

Equalities implications: None

Climate implications: None

Security implications: None

## **Appendices**

- Appendix A – A reconciliation of 2023/24 original local risk budget to the final agreed local risk budget 2023/24
- Appendix B – Revenue account reserves levels at start and end of 2023/24

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