

Leicester  
City Council

**WARDS AFFECTED**  
None specific

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**  
Cabinet

**30<sup>th</sup> October 2006**

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**INTEGRATED SERVICES PROGRAMME -  
ESTABLISHING NEW DEPARTMENTAL BUDGETS**

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**Report of the Chief Finance Officer**

**1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to seek Cabinet approval to the operational budget reorganisation arising from the Integrated Services Programme, which is a key step in establishing new departmental budgets.

**2. SUMMARY**

- 2.1 Under the Integrated Services Programme, the new Adult and Community Services and Children and Young People's Services Departments were created on 1<sup>st</sup> April 2006. These Departments manage the services that were provided by the former Education and Lifelong Learning and Social Care and Health Departments, and service transfers involving the Housing and the Regeneration and Culture Departments have also taken place.
- 2.2 As the 2006/07 budget was prepared on the basis of the pre-April 2006 departments and service portfolios, it is necessary to formally reallocate the budget to reflect the new service responsibilities. The first stage of the process is to allocate the budgets for operational services, and the details are set out in the Supporting Information. Cabinet is asked to note that the amount of budget to be used on each service is unchanged as a result of this process, which is only about updating departmental budgets to reflect the new organisational arrangements.
- 2.3 The subsequent stages will involve the transfers of support services, departmentally held budgets, controllable recharges and adjustments for those operational services hosted by one department which provide services to other departments. These will be brought to Cabinet for approval in due course.
- 2.4 Members are asked to note that Officers have approved a protocol for budget management and reporting in the intervening transitional period before budgets are fully reallocated, to ensure that a robust budget management and monitoring framework is maintained.

**3. RECOMMENDATIONS**

**3.1 Cabinet is recommended to approve:**

- a) **The Adult and Community Services Department budget as set out in Appendix A;**
- b) **The Children and Young People’s Services Department budget as set out in Appendix B; and**
- c) **The revised budget for the Regeneration and Culture and Housing Departments and Corporate budgets as set out in Appendix C.**

**4. FINANCIAL IMPLICATIONS**

4.1 The report is solely concerned with financial issues.

**5. LEGAL IMPLICATIONS**

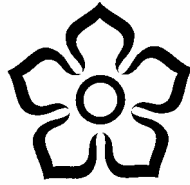
5.1 There are no direct legal implications arising from this report.

**6. Report Author**

Colin Sharpe, Head of Finance, Adult and Community Services ☎ 0116 252 8800

**DECISION STATUS**

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)



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**INTEGRATED SERVICES PROGRAMME -**  
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**SUPPORTING INFORMATION**

**Report of the Chief Finance Officer**

**1. Purpose of Report**

- 1.1 The purpose of this report is to seek Cabinet approval to the operational budget reorganisation arising from the Integrated Services Programme, which is a key step in establishing new departmental budgets.

**2. Background**

- 2.1 Under the Integrated Services Programme, the new Adult and Community Services and Children and Young People's Services Departments were created on 1<sup>st</sup> April 2006. These Departments manage the services that were provided by the former Education and Lifelong Learning and Social Care and Health Departments, and service transfers involving the Housing and the Regeneration and Culture Departments have also taken place.
- 2.2 As the 2006/07 budget was prepared on the basis of the pre-April 2006 departments and service portfolios, it is necessary to formally restate the budget to reflect the new service responsibilities. The first stage of the process is to allocate the budgets for operational services. Cabinet is asked to note that the amount of budget to be used on each service is unchanged as a result of this process, which is only about updating departmental budgets to reflect the new organisational arrangements.
- 2.3 The subsequent stages will involve the transfers of support services, departmentally held budgets, controllable recharges and adjustments for those operational services hosted by one department which provide services to other departments. These will be brought to Cabinet for approval in due course.

- 2.4 Members should note that Officers have approved a protocol for budget management and reporting in the intervening transitional period before budgets are fully reallocated, to ensure that a robust budget management and monitoring framework is maintained.

### **3. Operational Budgets to be Restated**

- 3.1 The first stage of the budget reconfiguration process is to restate the budgets for operational services. For ease of presentation, this report assumes that the Adult and Community Services Department has succeeded the former Social Care and Health Department, and that the Children and Young People's Services Department has succeeded the former Education and Lifelong Learning Department. On this basis, the remaining budget transfers to take place are:

- Adult Learning and Community Services from the former Education Department to the Adult and Community Services Department;
- Libraries from the former Education Department to the Regeneration and Culture Department;
- Children's Social Care from the former Social Care and Health Department to the Children and Young People's Services Department;
- Advice Services and Crime and Disorder from the Regeneration and Culture Department to the Adult and Community Services Department; and
- Local Anti-Social Behaviour Unit and Supporting People from the Housing Department to the Adult and Community Services Department

- 3.2 Corporate Directors have agreed that budgets should transfer at their current levels, with any issues around spending pressures or funding identified by the departments involved. The reasoning for this is to avoid any real change in the budget approved by Council, to recognise that the overall amount of budget available remains the same, and that it is best to deal with any issues outside of this process. However, Members will be aware that specific issues were identified in relation to the Local Anti-Social Behaviour Unit, and Cabinet recently determined the budgetary transfer arrangements having considered a report by the Chief Executive.

- 3.3 As a result of the Integrated Services Programme, a number of operational services remain hosted by one Department, but now provide services to another department. Examples include the in-house Home Care service which is based in Adult and Community Services but which also provides services for children, and the Emergency Duty Team which is based in the Children and Young People's Services Department but which also provides out of hours cover for adults and older people. The budget transfers in this report do not reflect these arrangements, with the budget being allocated wholly in the department where the service is based. Internal service level agreements and

recharges will be developed over the coming months, and the budgets adjusted accordingly.

#### 4 **Other Budgets and Reserves**

- 4.1 The allocation of earmarked reserves and balances between the new departments has been agreed by Corporate Directors. These items, which have been properly established in accordance with Finance Procedure Rules and with the approval of Cabinet, will be aligned with the appropriate services and reflect Corporate Director responsibility.
- 4.2 Support services, recharges and departmental budgets which are yet to be reallocated into the new Departments are shown at this stage as being “hosted” by the new Departments. Hence, the Adult and Community Services restated budget includes the former Social Care and Health support service budgets, and similarly the restated budget for Children and Young People’s Services includes the former Education and Lifelong Learning Department support budgets.

#### 5 **The Restated Budgets**

- 5.1 Departmental budgets have been restated to account for the changes and principles described above, and are presented to Cabinet for approval.
- 5.2 **Appendix A** presents the budget for the Adult and Community Services Department. This replaces the Social Care & Health Department budget as set out on pages 42 and 48 of the budget book 2006/07.
- 5.3 **Appendix B** presents the budget for the Children and Young People’s Services Department, replacing the Education Department budget as set out on page 20 of the budget book 2006/07.
- 5.4 Members are asked to note that the detail of the organisational structures in these two new Departments continues to evolve, and subsequent movements of services are expected between service areas within the total Departmental budget. These will be reported to Cabinet as necessary in the usual manner.
- 5.5 As noted above, the ISP project has also incorporated functions transferring between the new departments and Regeneration and Culture, Housing and Corporate budgets. These transfers do not fundamentally affect those established departmental budgets, and therefore the adjustments are set out in **Appendix C**. The Libraries service, however, will constitute a new service area within the Regeneration & Culture Department which will be reported separately within the Department for the remainder of this financial year.

5.6 There is no overall effect on the General Fund budget from the above transfers. This is demonstrated in the following table:

<b>Original Budget 2006-07:</b>	<b>£000s</b>	<b>£000s</b>
Education	31,353.10	
Housing	7,180.20	
Regeneration & Culture	56,066.10	
Social Care & Health (incl. YOS)	94,567.40	
Corporate Budgets	8,810.40	
Chief Executive's Office	2,395.80	
Resources	<u>18,269.50</u>	
Budget Book - Page 11		<b>218,642.50</b>
<b>Reconstructed Budget 2006-07:</b>		
Children & Young People's Services	55,109.40	
Adult & Community Services	68,959.10	*
Regeneration & Culture	60,554.50	
Housing	7,027.90	
Corporate Budgets	6,241.10	
Chief Executive's	2,395.80	
Resources	<u>18,606.80</u>	**
		218,894.60
Reduction in Net Recharge Income Budget		<u>252.10</u>
		<b>218,642.50</b>
Excludes carry forward budget of £210.1k (total including this is		
*= £69,169.2k, as per Appendix A)		
Includes net budget virement of		
** = £337.3k		

## 6. **FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

### 6.1 **Financial and Legal Implications**

There are no financial implications arising directly from this report.

There are no legal implications arising from this report.

## 6.2 Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	<b>No</b>	
Policy	<b>No</b>	
Sustainable and Environmental	<b>No</b>	
Crime and Disorder	<b>No</b>	
Human Rights Act	<b>No</b>	
Elderly/People on Low Income	<b>No</b>	

## 7. Background Papers – Local Government Act 1972

2006/07 Budget reports to Cabinet and Council  
ISP Transitional Budget Management Arrangements, report to Strategic Resources Group, 15<sup>th</sup> August 2006  
Funding of the Anti-Social Behaviour Service, report to Cabinet, 5<sup>th</sup> September 2006

## 8. Consultations

Chief Finance Officer, Legal Services.

## 9. Report Author

Colin Sharpe, Head of Finance, Adult and Community Services ☎ 0116 252 8800

## Adult and Community Services Department: Budget Summary 2006/2007

Service Area	Employee Costs £000s	Running Costs £000s	Income £000s	Total Controllable £000s	Net Recharges £000s	Capital Charges £000s	Total Budget £000s
Older People	12,990.4	19,480.1	(11,733.6)	20,736.9			20,736.9
Community Care	11,755.5	37,259.7	(16,890.6)	32,124.6			32,124.6
Safer and Stronger Communities	6,237.9	5,348.3	(7,165.3)	4,420.9			4,420.9
Supporting People	466.9	16,430.6	(16,674.4)	223.1			223.1
* Directorate	531.1	41.5	0.0	572.6			572.6
* Resources	8,232.3	4,281.8	(1,423.0)	11,091.1	3,075.1	876.0	15,042.2
<b>TOTAL ADULT &amp; COMMUNITY SERVICES</b>	<b>40,214.1</b>	<b>82,842.0</b>	<b>(53,886.9)</b>	<b>69,169.2</b>	<b>3,075.1</b>	<b>876.0</b>	<b>73,120.3</b>

\* Former Social Care & Health Departmental budgets to be disaggregated at a later stage.



## Children and Young People's Services Department: Budget Summary 2006/2007

Service Area	Employee Costs £000s	Running Costs £000s	Income £000s	Total Controllable £000s	Net Recharges £000s	Capital Charges £000s	Total Budget £000s
* Directorate	690.5	50.2	0.0	740.7			740.7
Safeguarding and Family Support	16,557.7	13,889.4	(2,552.0)	27,895.1			27,895.1
Leicester Federation	1,664.9	139.1	0.0	1,804.0			1,804.0
Learning Services	6,291.0	23,878.1	(26,282.3)	3,886.8			3,886.8
Access, Inclusion and Participation	8,809.2	27,152.2	(16,557.3)	19,404.1			19,404.1
* Planning, Commissioning and Performance	7,428.6	8,988.2	(3,676.0)	12,740.8			12,740.8
* PRC, Contingency & Other Dept Budgets	1,770.8	281.9	0.0	2,052.7	4,132.4	7,436.0	13,621.1
Non-Specific Budgets	5,564.5	532.9	(598.3)	5,499.1			5,499.1
Schools Delegated & Specific Budgets	0.0	151,406.1	(170,320.0)	(18,913.9)			(18,913.9)
<b>TOTAL CHILDREN &amp; YOUNG PEOPLE</b>	<b>48,777.2</b>	<b>226,318.1</b>	<b>(219,985.9)</b>	<b>55,109.4</b>	<b>4,132.4</b>	<b>7,436.0</b>	<b>66,677.8</b>

\* Former Education & Lifelong Learning Departmental budgets to be disaggregated at a later stage.

## Appendix C

### Budget adjustments for functions transferring between the new Departments and Regeneration and Culture, Housing and Corporate budgets

**2006-07**  
**£000s**

#### **Regeneration & Culture**

Base Budget	56,066.10	(Budget Book - page 32)
Net Virements @ Pd 6	<u>1,611.00</u>	
	57,677.10	
Transfer to A&CS		
<i>Advice Services</i>	-821.80	(From Regeneration Service Area)
<i>Community Safety</i>	<u>-822.40</u>	(From Regeneration Service Area)
	56,032.90	
Transfer from E&LLL		
<i>Libraries</i>	<u>4,521.60</u>	(New Service Area)
	60,554.50	

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#### **Housing**

Base Budget	7,180.20	
Net Virements @ Pd 6	<u>241.70</u>	
	7,421.90	
Transfers to A&CS		
<i>Supporting People</i>	-223.1	(From Supporting People Service Area)
<i>LASBU</i>	<u>-170.9</u>	(Excludes £68k from HRA)
	7,027.90	

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#### **Corporate Budgets**

Base Budget	8,810.40	
Net Virements @ Pd 6	<u>-1,969.30</u>	
	6,841.10	
Transfer to A&CS		
<i>Crime &amp; Disorder</i>	<u>-600.00</u>	(From Miscellaneous Service Area)
	6,241.10	

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