

Report of the Strategic Directors of Health and Well-being and Children's Services to the meeting of Corporate Overview and Scrutiny Committee to be held on 05th April 2017.

AP

Subject:

Income Streams of Adult and Community Services and Children's Services

Summary statement:

At the Corporate Overview and Scrutiny meeting held on 3rd November 2016, a request for a more detailed report on the income streams of both Adult and Community Services and Children's Services was made following the presentation of Document V - Report on Income generated by Council Services from fees and charges.

This report details the income streams of Adult and Community Services and Children's Services.

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Portfolio:
Health and Well-being

Children's Services

Overview & Scrutiny Area:

Corporate



1. SUMMARY

- At its meeting on 3rd November 2016, Corporate Overview and Scrutiny Committee requested further information on the income streams of both Adult and Community Services and Children's Services. This followed the presentation of Document V - Report on Income generated by Council Services from fees and charges.
- This report gives further details of the income streams from both of the departments.
- Income from Adult and Community Services comes from four main income streams and the budget for 2016/17 is £37.7m
- Income from Children's Services comes from 5 main income streams and the budget for 2016/17 is £454.9m.
- In addition, the Health and Wellbeing department includes Public Health and Environmental Health. The ring fenced grant for 2016/17 is £44m. There are also other income streams of a Community Safety grant of £0.5m and income from premises and licences of £1m.

2. BACKGROUND

2.1 Adult and Community Services

2.2 The department has four main areas of income and the table below gives a summary of those:

Income Stream	Outturn 2015/16	Budget 2016/17	Forecast December 2016	Variance
Grants	(4,518,220)	(2,171,200)	(2,187,700)	(16,500)
Client Contributions	(27,623,435)	(12,413,600)	(11,773,228)	640,372
NHS Income	(22,819,253)	(22,754,200)	(22,888,731)	(134,531)
Other	(483,349)	(366,500)	(368,300)	(1,800)
TOTAL ALL INCOME	(55,444,256)	(37,705,500)	(37,217,959)	487,541

2.2.2 Grants

The department has seen a reduction in grants over the years and now has only one main grant and a few smaller grants:

Grants

Ad-hoc	38,800
Think Ahead grant	35,000
Community Covenant grant	30,000
Independent Living Fund	2,067,400
Total Grants	2,171,200



2.2.3 Independent Living fund (ILF).

The largest of these grants is the Independent Living Fund (ILF). On 6 March 2014, the government announced it would close the ILF on 30th June 2015. From 1st July 2015 responsibility for supporting ILF users in England passed to local authorities. The grant allocations made are:

2015/16	£1,632,700
2016/17	£2,067,201
2017/18	£1,999,130
2018/19	£1,935,997

The lower amount in 2015/16 represents nine months of the full year grant. Although ILF grants reduce over time there may be a duty to continue to meet eligible need previously met by ILF. ILF funding was intended to address non-eligible need to promote independence but was on occasions used to provide for eligible need.

2.2.4 Client contributions

Service Users are charged for the services they receive under the Care Act 2014 Part 1 s14-17. A financial assessment of the individual is made and the contributions are made on a set of criteria. There are two sets of criteria and these are

- Charging for Residential Accommodation Guide (CRAG)
- Local Contribution policy

The NHS are also recharged for any individuals who are eligible for Continuing Health Care funding.

In addition where a direct payment given to a service user is not fully used in the year, the balance is claimed back. There has been an increase in the amount of income from claw back of unused Direct Payments over the last few years and this was set as part of the savings to be achieved in 2016/17.

Community Care Charges	6,959,100
Residential and Nursing Charges	4,024,200
Permanent Client (Continuing Health Care contribution)	1,180,300
Recovery of unused Direct Payments	250,000
Total Client Contributions	12,413,600
Estimated additional Client charges 2016/17	16,000,000
Total Estimate for Client Charges	18,413,600

2.2.5 Income from the NHS

A large part of the income from the NHS is defined in an agreement under Part 3 s75 of the National Health Service Act 2006 (commonly known as a S75



agreement). This is a legally binding agreement on how funding will be used to provide services predominantly from the Better Care fund.

A breakdown of the funding from the NHS is:

NHS Income	
Better Care Fund	19,887,000
Out of Area placements	830,300
Systems Resilience grant (NHS)	317,000
Continuing Health Care	41,500
Recharges for salaries and other	1,678,400
Total NHS Income	22,754,200

There are several other agreements in place for payment of salaries including salaries for some staff within the;

- Community Care Admin team
- Commissioning teams
- Hospital based Social Care teams

2.2.6 Other Income

This is by far the smallest income stream and is detailed as:

Other	
Interpreter charges/professional fees	220,400
Miscellaneous income	146,100
Total Other	366,500

The largest amount of income is from charges made for interpreting services and there are some small charges for training and assessments made on behalf of other councils.



2.3 Children's Services

2.3.1 Children Services is expected to receive approximately £454.9m of income in 2016-17. A summary of the income generation is listed in the table below.

Type of Income	2016-17 Forecast £m	Further Information
School Income Generation	18.6	See Section 2.3.2 & 2.3.3 below
Education Grant Income	414.7	See Section 2.3.4 below
Social Care Grants	5.6	See Section 2.3.5 & 2.3.6 below
Traded Income (including Fees & Charges)	5.0	See Section 2.3.7 & 2.3.8 below
Contributions	11.0	See Section 2.3.9 & 2.3.10 below
Total Children Services Income	454.9	

2.3.2 Income generated by schools is under the control of schools and not the Council. The main sources of income generated by schools covers premises £6.6m, catering £2.9m, Supply teacher insurance/other ins £1.6m, parents contribution £1.7m, donations/other £0.4m, government grants £0.6m, Extended School provision £4.8m.

2.3.3. Income generated by schools is set to decrease in 2017-18 as there have been thirty seven maintained schools that have converted into academies in 2016-17.

2.3.4 Education grants are broken down in the table below. Education grants received by the authority in respect of maintained schools are set to reduce in 2017-18 due to academy conversions. Academies receive a majority of their grant funding directly from the Education Funding Agency (EFA). The Education Services Grant (ESG) will cease from September 2017. The ESG element in relation to Local Authority retained duties will be transferred into the Dedicated Schools Grant (DSG) from April 2017.



Name of Grant	Department	Forecast £m
Dedicated Schools Grant	EFA	335.3
Private Finance Initiative (PFI) Grant	EFA	27.3
Pupil Premium	EFA	24.1
School Six Form Funding	EFA	11.2
School Universal Free School Meals	EFA	6.5
Education Services Grant	EFA	6.3
School PE and Sports Grant	EFA	1.3
Music Services Grant	Arts Council	0.9
Higher Education Funding Council England (HEFCE)	HEFCE	0.3
National College of Teaching and Leadership	EFA	0.3
Summer Schools	EFA	0.3
SEN Strategic Review Grant	EFA	0.3
SEN Reform Grant	EFA	0.2
Gateway Protection Programme	Home Office	0.2
Vulnerable Person Relocation Scheme	Home Office	0.1
Extended Rights for Free Travel	EFA	0.1
Total Education Grants		414.7

2.3.5 The table below provide a list of social care grants in 2017-18. The service has been allocated £3.2 over two years from the Department for Education to develop new and innovative ways of delivering services for vulnerable children and young people in Bradford, particularly children in care. The grant has been made available by the Department for Education as part of The Innovation Programme and focuses on the policy priorities set out in Children's social care reform: A vision for change, which was published in January 2016. The funding will help to accelerate the delivery of the Council's Journey to Excellence initiative. At its heart this programme aims to provide safety and stability for children and work with families to build on their strengths.

2.3.6 The service is also delivering the Family First programme. This programme support families who have characteristics such as children not attending school, crime, anti-social behaviour.

Name of Grant	Department	Forecast £m
Social Care Innovation Grant	EFA	1.6
Family First Grant (Attachment, PBR etc.)	EFA	1.7
Staying Put Grant	EFA	0.2
Adoption Inter Agency Fee Grant	EFA	0.3
Adoption Support Fund	EFA	0.4
Youth Offending Grant	Youth Justice Board	1.2
Unaccompanied Asylum Seeking Chd Grant	Home Office	0.2
Total Social Care Grants		5.6



2.3.7 The fees and charges income for Education services with schools comprises Curriculum ICT, the Music & Arts Service, School Governor Services, Education Psychology Service, Outdoor Education Centres, Interfaith services and fines for unauthorised absences.

2.3.8 The table below provides a summary of fees and charges generated by children services

Description of Fee or Charge	£m
Outdoor Education Centre	1.0
Curriculum ICT (including licenses)	1.5
Music Service	0.8
Education Social Work Service	0.4
Education Psychology Service	0.4
School Clerking Service	0.3
Play Services	0.2
School Governor Service	0.1
School Courses Income	0.1
Interfaith Education	0.1
Behaviour Support Services	0.1
Subtotal Education Fees or Charge	5.0

2.3.9 These are contributions and are not classed as traded and broadly split into 2 categories, funding received from schools and funding received from other public sector organisations. The other Public sector organisations include Housing Benefit for Looked After Children, Leeds City Region, Job Centre plus contract funding, Employment training, Family learning contract. Contribution from Schools' are primarily for children educated via central services and contributions towards PFI contracts.

2.3.10 The table below provides a breakdown of contributions/pooled budgets.



Description of Contribution/Pooled Budget	Forecast £m
Academy Contribution towards PFI cost	6.1
Sensory Services/SEN	1.2
Adults Skills and Family Learning (Skills Funding Agency)	0.9
Employment & Training (Dept. Works and Pension)	0.9
Workchoice Contract (Dept. Works and Pension)	0.5
Employment Opportunity Fund (Dept. Works and Pension)	0.2
Connexions	0.2
14-19 Work Experience	0.2
BEST Unit Health Contribution	0.4
Bradford Children's Safeguarding Board	0.2
Housing Benefit (Leaving Care)	0.1
Respite units Health Contribution	0.1
Total Contribution/Pooled Budget	11.0

3. OTHER CONSIDERATIONS

- Considerations need to be given to;
 - Local Government Act 2003 Part 8 Chapter 1 s93
 - Care Act 2014 Part 1 s14-17
 - National Health Service Act 2006 Part 3 s75

4. FINANCIAL & RESOURCE APPRAISAL

- This is a finance report on the income streams into Adult and Community Services and Children's Services.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

The report is for information.

6. LEGAL APPRAISAL

Advice taken form Legal within the report

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

None



7.2 SUSTAINABILITY IMPLICATIONS

➤ None

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

➤ None

7.4 COMMUNITY SAFETY IMPLICATIONS

➤ None

7.5 HUMAN RIGHTS ACT

➤ None

7.6 TRADE UNION

➤ None

7.7 WARD IMPLICATIONS

➤ None

8. NOT FOR PUBLICATION DOCUMENTS

➤ None

9. OPTIONS

The report is for information

10. RECOMMENDATIONS

That members consider the content of the report

11. APPENDICES

None



12. BACKGROUND DOCUMENTS

- [Local Government Act 2003 Part 8 Chapter 1 s93](#)
- [Care Act 2014 Part 1 s14-17](#)
- [National Health Service Act 2006 Part 3 s75](#)
- [Document V - Report on Income generated by Council Services from fees and charges.](#)
- [Budget reports](#) – specifically **MID YEAR FINANCIAL POSITION STATEMENT AND PERFORMANCE REPORT FOR 2016-17**
- S75 Agreement for the BCF (Copy held in legal services)
- Finance working papers and SAP documents (documents held in Financial Services)

