

Adults and Safer City Scrutiny Panel

12 November 2019

Report title	Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Linda Leach Adults	
Corporate Plan priority	Confident Capable Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee	Alison Shannon	Chief Accountant
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Report to be/has been considered by

Recommendations for decision:

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the budget relevant to the remit of this Panel and how it is aligned to the priorities of the Council.
2. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 including budget proposals that are relevant to the remit of this Panel.
3. Approve that the Scrutiny Panel response be finalised by the Chair and Vice Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

1.0 Purpose

- 1.1 The purpose of this report is to seek the Panel's feedback on the budget relevant to the remit of this Panel and how it is aligned to the priorities of the Council. In addition to this, the Panel's feedback is also sought on the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 that was presented to Cabinet on 16 October 2019 including budget proposals relevant to the remit of this Panel.

2.0 Draft Budget and Medium Term Financial Strategy Background

- 2.1 Since 2010-2011 despite the successive cuts in Council resources, which have led to significant financial challenges, the Council has set a balanced budget in order to deliver vital public services and city amenities. Over the last eight years the Council has identified budget reductions in excess of £220 million. The extent of the financial challenge over the medium term continues to represent the most significant challenge that the Council has ever faced, with reducing resources, growing demand for services and significant cost pressures.
- 2.2 The Budget and Medium Term Financial Strategy (MTFS) 2019-2020 to 2023-2024 was presented to Full Council for approval on 6 March 2019. The Council was able to set a balanced budget for 2019-2020 without the use of General Fund reserves. However, it was projected that the Council would be faced with finding further estimated budget reductions totalling £27.3 million in 2020-2021 rising to £40-£50 million over the medium term to 2023-2024.
- 2.3 Since then, work has been ongoing across the Council to identify opportunities in line with the Five Year Financial Strategy to support the budget strategy for 2020-2021 and future years, whilst also analysing emerging pressures and potential resources available to the Council, following the Spending Round 2019 announcement on 4 September 2019.

3.0 Our Council Plan 2019-2024

- 3.1 The Council's strategic approach to address the budget deficit continues to be to align resources to Our Council Plan 2019-2024 which was approved by Full Council on 3 April 2019.
- 3.2 Our Council Plan, developed with the people of the City of Wolverhampton at its heart, sets out how we will deliver our contribution to Vision 2030 and how we will work with our partners and communities to be a city of opportunity. The plan includes six strategic priorities which come together to deliver the overall Council Plan outcome of 'Wulfrunians will live longer, healthier and more fulfilling lives.' Over the medium term, resources will continue to be aligned to enable the realisation of the Council's strategic priorities of achieving:
- Children and Young People get the best possible start in life
 - Well skilled people working in an inclusive economy
 - More good jobs and investment in our city
 - Better homes for all

- Strong, resilient and healthy communities
- A vibrant, green city we can all be proud of.

3.3 All of the strategic outcomes will be supported by the 'Our Council' Programme, which will help us drive organisational improvement and development.

3.4 The Financial Strategy, approved by Council in March 2019, consists of five core principles underpinned by eight core workstreams. Using the Core Workstreams as the framework for the Financial Strategy detailed delivery plans are being developed all with a lead director. The core principles are:

- **Core Principles:**

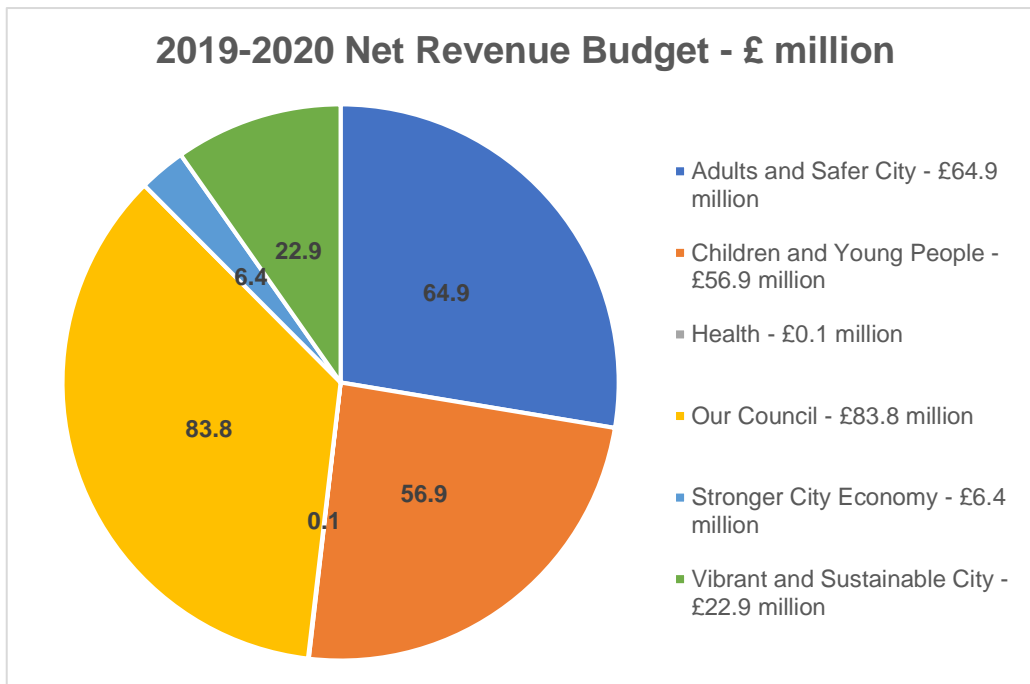
- **Focusing on Core Business.** Focus will be given to those activities that deliver the outcomes local people need and which align to our Council Plan and Financial Strategy.
- **Promoting Independence and Wellbeing.** We will enable local people to live independently by unlocking capacity within communities to provide an effective and supportive environment.
- **Delivering Inclusive Economic Growth.** We will continue to drive investment in the City to create future economic and employment opportunities.
- **Balancing Risk.** We will ensure we base decisions on evidence, data and customer insight.
- **Commercialising our Approach.** We will boost social value in our City by maximising local procurement spend with people and businesses.

4.0 Budget – Adults and Safer City Scrutiny Panel remit

4.1 As detailed above, when addressing the budget challenge, the Council continues to focus on aligning its resources to strategic outcomes.

4.2 The Council holds a net revenue expenditure budget totalling £234.9 million for the 2019-2020 financial year. Of this, services relevant to the remit of the Adults and Safer City Scrutiny Panel have net revenue expenditure budgets totalling £64.9 million, as can be seen in Chart 1 below.

Chart 1 – Net Revenue Budget 2019-2020



4.3 A further breakdown of the net revenue budget for each service relevant to the remit of this Panel is provided in Table 1 below:

Table 1 – Service and Revenue Budget Provision

Service	2019-2020 Gross Expenditure Budget £000	2019-2020 Gross Income Budget £000	2019-2020 Net Revenue Expenditure/ (Income) Budget £000
Adults Assessment & Care Management East	3,006	(781)	2,225
Adults Assessment & Care Management North	2,482	(46)	2,436
Adults Assessment & Care Management West	1,249	-	1,249
Adults Assessment and Care Management MASH	548	-	548
Carer Support	840	(6)	834
Community Financial Support	2,031	(449)	1,582
Community Safety & Community Cohesion	1,012	(981)	31
Community Support	802	-	802
Director of Adults services and Additional Monies	1,232	(7,010)	(5,778)
Emergency Duty Team	492	(162)	330
Independent Living Service	2,732	(915)	1,817
Learning Disabilities Care Purchasing	22,541	(5,805)	16,736
Learning Disability Provider	5,301	(553)	4,748
Mental Health Assessment & Care Management	6,122	(1,258)	4,865
Older People Care Purchasing	35,194	(14,905)	20,289
Older People Provider Services	4,444	(6)	4,438
Physical Disabilities Care Purchasing	6,529	(2,118)	4,411
Quality Assurance and Policies	369	-	369
Strategic Commissioning	3,588	(659)	2,929
Total	100,514	(35,654)	64,861

- 4.4 Gross expenditure and gross income relate to the budgets directly in the control of the service area. Overhead costs such as property related expenditure and support services are held separately.
- 4.5 When reviewing the budget, it is important to consider the gross income and gross expenditure for each service. Budget efficiencies can be achieved through reductions in expenditure budgets, in addition to maximising income generation opportunities.
- 4.6 There are no significant capital programmes that fall within the remit of this panel, however capital programmes which fall within the remit of the Our Council Scrutiny Panel including those projects funded by the Disabled Facilities Grant support the provision of Adult social care.

5.0 Key Strategies and Transformation

- 5.1 Approximately 80% of the total budget referred to in this report is spent directly on meeting care and support needs. Whilst an element of this provides pre eligibility support such as reablement or preventative services, the largest proportion is spent on meeting statutory needs where people have been assessed as meeting nationally set eligibility criteria, meaning that if those needs are not met the authority could be legally challenged for not undertaking its statutory duties.
- 5.2 The remaining budget is spent on teams that are involved in assessment and arranging support, safeguarding adults, commissioning and contract management, policy and quality assurance, and financial assessments and welfare benefits. Whilst some of these areas are also statutorily required they don't involve direct care provision.
- 5.3 Community safety sits under the responsibility of the Director for Public Health but the functions delivered are under the Adults and Safer City Scrutiny Panel remit rather than Health Scrutiny.
- 5.4 Transformation that contributes to addressing the budgetary challenges are focussed around three areas:
- **Transforming Adult Social Care (TASC)** - The TASC programme is the internal programme that designs, coordinates and implements transformational change programmes. Projects that sit under the programme are measured on their contribution to improving outcomes for people, meeting any changes in statute or case law that may impact on the way adult social care is delivered and ensuring adult social care services are efficient and deliver value for money.
 - **Better Care Programme** - Significant amounts of health funding are channelled through the Better Care programme and therefore this is a second programme of work that explores how better working with health services in the city can deliver improved outcomes, operational and financial efficiencies in Wolverhampton. This programme is currently being aligned to the Wolverhampton Integrated Care Alliance (ICA) which is predominantly concerned with improving health services.
 - Finally, there is a sub-regional approach to considering how health and care services may be delivered in the Black Country. This work is currently known as either Sustainable Transformation Partnerships (STP) or Integrated Care Systems (ICS). This is predominantly addressing how more specialist health services are delivered on a larger footprint, but it is important that local authorities are involved to ensure a focus remains on maintaining local services and opportunities for closer joint work continue to be explored.

6.0 Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024

- 6.1 Since March 2019, Cabinet have been provided with two further Budget and Medium Term Financial Strategy (MTFS) updates in July and October 2019 to identify opportunities in line with the Five Year Financial Strategy to support the budget strategy for 2020-2021 and future years.
- 6.2 In October 2019, Cabinet were presented with the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 report in which it was forecast that, after taking into account projected changes to corporate resources and emerging pressures, the projected remaining budget deficit for 2020-2021 would be in the region of £3.9 million, rising to £20 million over the medium term period to 2023-2024.
- 6.3 The MTFS provides for general inflation increases. It also includes growth for specific known pressures. In relation to the remit of this panel, the MTFS for 2020-2021 includes provision for potential budget pressures within Adult Services following a fee review and demographic pressures in 2019-2020. This is in addition to budget growth assumed in the MTFS for adult social care demographic pressures totalling £6.2 million in 2020-2021. Of this, budget reduction proposals for this service totalling £3 million in 2020-2021, attached at Appendix 2, is proposed.
- 6.4 In addition to this, the MTFS incorporates the roll forward of one-off grants that have been received in 2019-2020 but not previously assumed in the MTFS for 2020-2021 for adult social care, including the adult social care winter pressures grant.
- 6.5 Appendix 1 provides a copy of the 'Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024' report for your consideration. Appendix 2 provides details of specific budget proposals relevant to this panel. Feedback from this and the other Scrutiny Panel meetings will be reported to Scrutiny Board on 10 December 2019, which will consolidate that feedback in a formal response to Cabinet on 22 January 2020. The feedback provided to Scrutiny Board will include questions asked by Panel members, alongside the responses received. Cabinet will take into account the feedback from Scrutiny Board when considering the final budget setting report in February 2020, for approval by Full Council in March 2020.

7.0 Panel Recommendations

- 7.1 The Panel are recommended to provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on:
- the budget relevant to the remit of this Panel and how it is aligned to the priorities of the Council;
 - the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 and budget proposals relevant to the remit of this Panel;
 - any other comments.

7.2 The Panel are also recommended to approve that the Scrutiny Panel response be finalised by the Chair and the Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

8.0 Financial implications

8.1 The financial implications are discussed in the body of the report, and in the report to Cabinet.
[RP/01112019/G]

9.0 Legal implications

9.1 The legal implications are discussed in the report to Cabinet.
[RP/011119/A]

10.0 Equalities implications

10.1 The equalities implications are discussed in the report to Cabinet.

11.0 Environmental and climate change implications

11.1 The environmental and climate change implications are discussed in the report to Cabinet.

12.0 Human resources implications

12.1 The human resources implications are discussed in the report to Cabinet.

13.0 Corporate landlord implications

13.1 The Corporate Landlord implications are discussed in the report to Cabinet.

14.0 Health and wellbeing implications

14.1 The Corporate Landlord implications are discussed in the report to Cabinet.

15.0 Schedule of background papers

Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024, report to Cabinet, 16 October 2019.

Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024, report to Cabinet, 31 July 2019.

2019-2020 Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024, report to Full Council, 6 March 2019

16.0 Appendix

Appendix 1 - Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024

Appendix 2 – Specific Budget Proposals