

Adults and Safer City Scrutiny Panel - 17 November 2020
Draft Budget and Medium Term Financial Strategy
2021-2022 to 2023-2024
Minute Extract

James Barlow, Finance Business Partner, presented the report and referred the panel to recommendations asking for comments on the draft budget medium term financial strategy and also the budget issues relevant to the remit of the panel. The comments will be included in a report to Scrutiny Board for their consideration after they have been approved by the Chair and Vice Chair as part of the response to the annual budget scrutiny.

The Finance Business Partner commented on the changes made to the layout of the budget report made in response to feedback from scrutiny panel members. The report is now more focused on the overall budget of areas within the remit of this panel and the extent to which they are aligned to the priorities of the Council. The feedback from the panel included in a report to Scrutiny Board for consideration before it is presented to Cabinet for approval in either January or February 2021.

The Finance Business Partner outlined the key parts of the draft budget medium term financial strategy report budget 2021-2022 to 2023-2024 and stated the Council has a legal requirement to set a balanced budget each year. The panel were advised that when the budget for this financial year was presented to Council on 4 March 2020 it was forecast that the Council would be facing a budget gap of around £15.5 million in 2021-2022 and rising to £20 million over the medium term. There is work ongoing to address the gap in funding. However, the Covid-19 pandemic has had a significant impact on the Council finances and the operating environment.

The Finance Business Partner commented on strategy to address financial pressures in the medium term. The Finance Business Partner commented on the list of Government grants awarded to the Council to deal with financial pressures in the short term and the projected financial implications of Covid-19 in 2020-2021. A potential cost pressure of £324,000 has been estimated based on current predictions for 2020-2021.

The Finance Business Partner commented on the main assumptions underpinning this report and advised the panel that the Council is expecting an announcement in December 2020 about if it will provide sufficient funding to deal with any financial pressure related to Covid-19. If the Government awards a grant to cover these costs then the forecast deficit for next financial year in setting a balanced budget is £4.5 million, which is considered to be achievable. However, in the event that the Government does not provide sufficient funding, the Council would be faced with a budget deficit for 2021-2022 in the region of £23.2 million, rising to over £40 million over the medium term. This would result in the need to do a fundamental review of Council services to identify budget reduction measures needed to balance the budget.

The Finance Business Partner commented in more detail on the budget breakdown relating to the remit of Adult Services and Safer City. Emma Bennett, Director of Children's and Adult Services commented on the statutory responsibilities of Adult Services and the link to priorities in the Council Plan particularly the priority of achieving strong resilient and healthy communities. The Director of Children's and Adult Services commented on the work done to support the vulnerable people during the pandemic. The work will continue as part of the Project Relight plan to identify and support people identified as either clinically or socially at risk.

The Director of Children's and Adult Services commented on changes to adult social care programme which is focused on improving outcomes for people and promoting independence. In addition, the service is building on current work across Adult Services to enable people to live at home longer and more independently. The findings from evaluation shows that the approach is having a positive impact.

The service is working with health partners locally and regionally to improve the quality of services and to deliver more specialist health services to a larger population. The aim being to work together to support people living independently or to be supported by their families rather than having to have expensive care packages to wrap around them or to go into residential care provision for example.

The panel queried when a decision about grant funding would be made by Government. The Finance Business Partner responded that we will get an indication when the Government spending review is announced.

The Council is modelling different scenarios so we have plans to react to whatever happens, but the service is working on the assumption that we will be funded for financial pressures arising from Covid 19.

The panel requested more details about the grants awarded to the Council by Government. The Chief Accountant referred the panel to the appendix in the report which details grants awarded to the Council and the criteria for using the funds. Further grants have been announced since the report was produced and an updated list could be provided.

The panel discussed the possible financial implications of Brexit on the Council. The panel were advised that there is lot of work done being done across the authority and the region to prepare for different Brexit outcomes and that the impact would be seen mainly across our businesses and providers.

Resolved:

The panel accepted the recommendations in the report.