

# Performance, Budget and MTFS

Health Scrutiny Panel

12 December 2022

# Introduction

## Budget Scrutiny for

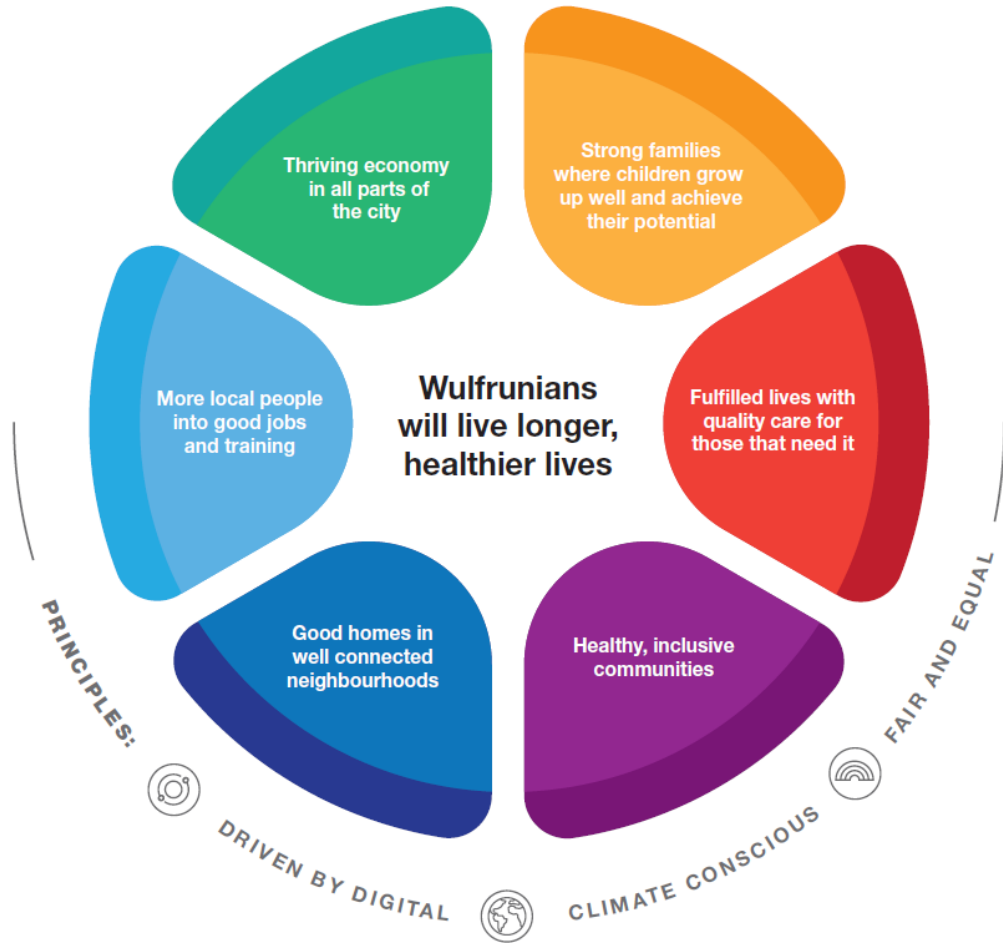
- Background
- 2022-2023 Performance and Budget monitoring update – as at quarter 2
- 2023-2024 Draft Budget and Medium Term Financial Strategy
- Future Challenges
- Strategic Risk Register

## Background

- The Council has built up a strong track record over many years of managing its finances well despite reductions in funding
- The Council's strategic approach to strategic financial planning is to align resources to Our City, Our Plan which was approved by Full Council on 2 March 2022
- Our City: Our Plan a new Council plan building on the Relighting Our City and providing a strategic framework for delivering the ambition that 'Wulfrunians will live longer, healthier lives.'

## Background

- This presentation provides an update on the in-year performance and budget position and the draft budget for 2023-2024.
- Scrutiny are asked to:
  - consider and comment on the draft budget and how it is aligned to priorities of the Council
  - Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget and Medium-Term Financial Strategy 2023-2024 to 2025-2026



**2022-2023 Performance and Budget  
Monitoring  
Quarter 2**

## Performance and Budget Monitoring – Quarter 2

- On a quarterly basis an integrated performance and budget monitoring report is presented to Cabinet.
- The quarter 2 position was presented to Cabinet on 16 November 2022 and to Scrutiny Board on 6 December 2022.
- Overall, a forecast overspend was reported across the Council of £1.5 million – this is in the main as a result of the 2022-2023 pay award.
- The following slides provide an overview of the services that fall under the remit of this panel.

## Overall Our City: Our Plan Performance – Quarter 2

In total there are currently 56 KPI's in the Our City: Our Plan performance framework.

Of these;

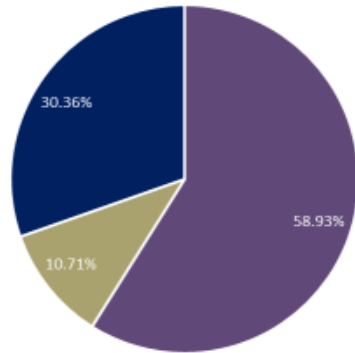
- 33 have shown improvement or have seen similar performance
- 17 are yet to be update in the YTD (8 of these in Healthy Communities) \*
- 6 saw a decrease in performance

*\* Those not updated are where we are awaiting the publication of national data sets and the release schedule is not in our control. An example of this is Educational Attainment, which is a yearly updated that had not been published before the end of Q2 2022/23*



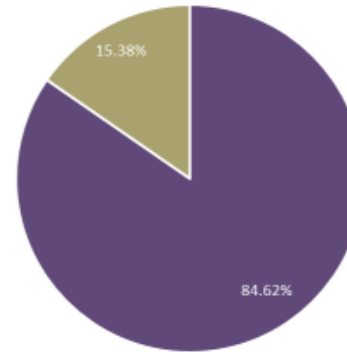
## Overall Our City: Our Plan Performance – Quarter 2

% of indicators improving  
(all indicators)



■ Improved or sustained ■ Decreased ■ Not reported yet

% of indicators improving  
(those with available updates)



■ Improved or sustained ■ Decreased

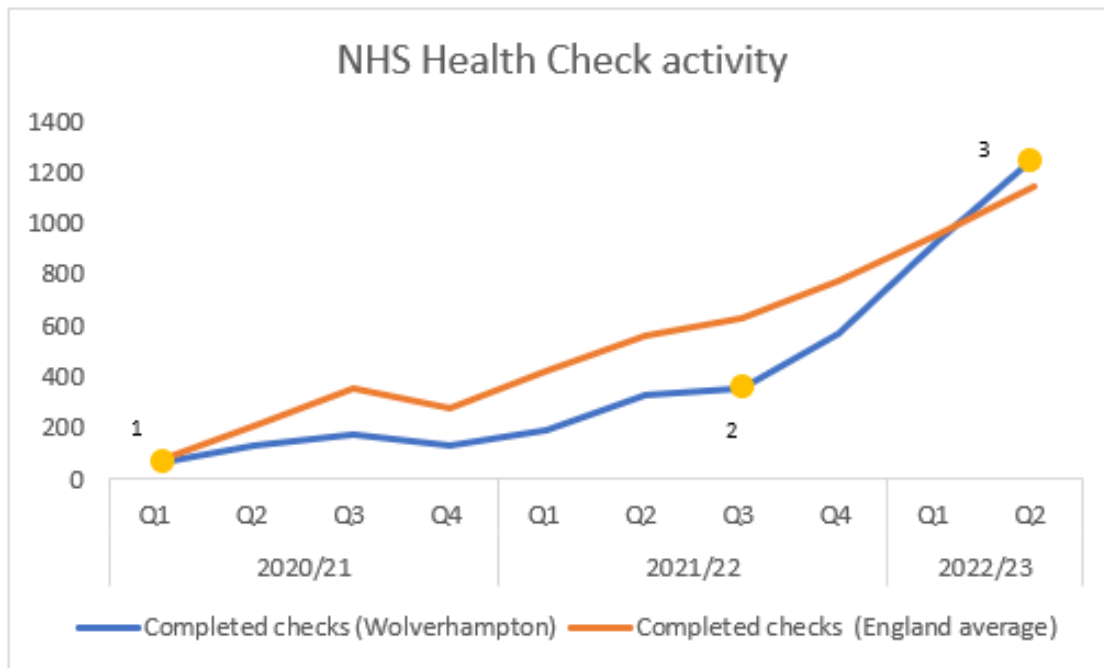
## Healthy Communities Performance

- Through the pandemic, NHS postponed the release of key performance indicators. Although some performance has started to be published again, the majority of indicators within the Our City: Our Plan portfolio for health remain outstanding
- With this in mind, Data and Analytics and Public Health are currently working on a new suite of performance indicators. These include high level surveillance indicators, that help Public Health understand key trends and priorities within the city, and operational performance indicators that track the work of our internal targeted Public Health interventions
- Work continues to build a robust intelligence base using recently released data through Census 2021, Health Index and the recently commissioned Healthy Lifestyles Survey to better understand residents' needs.

## Healthy Communities Performance

- One of the indicators that has been published is the percentage of 40-74 years attending offered health checks.
- The recent trend shows an improvement in the Wolverhampton uptake of residents attending health checks. Data shows that for the most recent quarter the uptake of the health check offer in the city was higher than the national average.
- It is understood how important the link between the uptake of and improved outcomes across multiple health priorities. Ambitions for Wolverhampton are to continue to improve above the rate of England average and to return to pre pandemic levels of activity within the next year.

## NHS Health Checks activity trend



1. NHS England advised GPs to pause non-urgent activity (64 completed checks)
2. GPs advised to restart locally (357 completed checks)
3. Above England average in Q2 (1,257 completed checks)

## Forecast Budget Position – Summary

Service	Gross Expenditure Budget	Gross Income Budget	Net Controllable Forecast	Net Controllable Forecast	Q2 Variance		Reason for Quarter 2 Variance
	2022-2023	2022-2023*	(Expenditure) 2022-2023	(Income) 2022-2023*			
	£000	£000	£000	£000	£000	%	
Healthy Ageing	1,193	(1,193)	1,133	(1,133)	-	-	
Healthy Life Expectancy	5,865	(5,865)	5,829	(5,829)	-	-	
Public Health Business Management	5,229	(5,229)	5,292	(5,292)	-	-	
Starting and Developing Well	9,981	(9,981)	9,959	(9,959)	-	-	
System Leadership	214	(214)	214	(214)	-	-	
<b>Total</b>	<b>22,482</b>	<b>(22,482)</b>	<b>22,427</b>	<b>(22,427)</b>	-	-	

- Public Health Grant allocation for Wolverhampton for 2022-2023 is £21.7m
- Net Controllable Forecast income includes £20.7m of Public Health Grant, £1.1 million other grants and income and £660,000 use of reserves.
- A break even position is projected on these services. These services are all fully funded by either Public Health grant, other grants income or reserve.
- Public Health grant allocation totalling £1.0 million is included in services which fall under Resident, Housing and Communities and Resources and Equality Scrutiny Panel.

**2023-2024 Draft Budget and  
MTFS 2023-2024 to 2025-2026  
Overview**

## Overview

- The 2022-2023 budget and MTFs was approved by Full Council on 2 March 2022
- Reported a forecast budget deficit of £12.6 million in 2023-2024 rising to £25.8 million over the medium term to 2025-2026
- Work has been ongoing to reduce the deficit with an update to Cabinet on 19 October 2022 reporting an updated forecast budget deficit of £7 million for 2023-2024 rising to £31.6 million by 2025-2026
- Work will continue to be undertaken to bring forward proposals to set a balanced budget for 2023-2024 and deliver a sustainable medium term financial strategy

# 2023-2024 Draft Budget and MTFS 2023-2024 to 2025-2026 Overview

Scrutiny Panel	2022-2023 Gross Expenditure Budget £000	2022-2023 Gross Income Budget £000	2022-2023 Net Revenue Expenditure/ (Income) Budget* £000	Pay Award Inflation** 2023-2024 £000	Growth 2023-2024 £000	Savings 2023-2024 £000	2023-2024 Draft Net Revenue Expenditure/ (Income) Budget £000
Economy and Growth Scrutiny Panel	21,129	(13,853)	7,276	85	90	(1,030)	6,421
Health Scrutiny Panel	21,886	(21,886)	-	-	-	-	-
Residents, Housing and Communities Scrutiny Panel	80,500	(46,181)	34,319	271	142	(250)	34,482
Resources and Equality Scrutiny Panel	197,087	(108,345)	88,742	14,112	3,336	(2,852)	103,338
Fulfilled Adult Lives Scrutiny Panel	119,537	(38,574)	80,963	172	4,705	-	85,840
Strong Families, Children, and Young People Scrutiny Panel	242,021	(189,715)	52,306	442	-	(1,000)	51,748
Commissioning and Transformation***	3,815	(262)	3,553	-	-	-	3,553
<b>Net Budget Requirement</b>	<b>685,975</b>	<b>(418,816)</b>	<b>267,159</b>	<b>15,082</b>	<b>8,273</b>	<b>(5,132)</b>	<b>285,382</b>
<b>Corporate Resources</b>			<b>(267,159)</b>		<b>(11,081)</b>		<b>(278,240)</b>
<b>Budget Challenge as at October 2022</b>							<b>7,142</b>

- \*draft revised budget after reversal of one-off virements and forecast impact of 2022-2023 pay award
- \*\* forecast impact of increments, changes to NI, does not factor in any uplift for 2023-2024 pay award – this will be held corporately until agreed
- \*\*\*Commissioning and Transformation falls under both Fulfilled Adults Lives and Stronger Families, Children and Young People Scrutiny Panel



## Overview – Uncertainties

- There continues to be significant uncertainty around
  - Future funding
  - Inflationary pressures
  - Future pay awards – currently assumes 4% in 2023-2024 and 2% for future years

**Health  
Scrutiny Panel  
2023-2024 draft budget and MTFs**

## Changes to budget –saving / growth

- Under the remit of this panel the MTFS currently has the following no specific saving targets or growth built into the budget

# Draft Budget

Service	2022-2023 Gross Expenditure Budget* £000	2022-2023 Gross Income Budget £000	2022-2023 Net Revenue Expenditure/ (Income) Budget £000	Pay Award Inflation** 2023-2024 £000	Growth 2023-2024 £000	Savings 2023-2024 £000	Net Revenue Expenditure/ (Income) Budget 2023-2024 £000
Healthy Ageing	1,165	(1,165)	-	-	-	-	-
Healthy Life Expectancy	5,615	(5,615)	-	-	-	-	-
Public Health Business Management	5,259	(5,259)	-	-	-	-	-
Starting and Developing Well	9,633	(9,633)	-	-	-	-	-
System Leadership	214	(214)	-	-	-	-	-
	<b>21,886</b>	<b>(21,886)</b>					

- Current position assumes no changes in public health grant – as the 2023-2024 allocations are not yet known
- \*draft revised budget after reversal of one-off virements and forecast impact of 2022-2023 pay award
- \*\* forecast impact of increments, changes to NI, does not factor in any uplift for 2023-2024 pay award – this will be held corporately until agreed

## Draft Budget

- Budget setting process is still under way. The Draft Budget is subject to changes that are implemented to close the current deficit for 2023-2024.
- Some growth and saving targets are currently being held in Corporate Accounts and will be transferred to services.
- The Draft Budget currently does not yet reflect any virements between services in 2023-2024.
- Work is ongoing to review and challenge budget requirements.

## **Risks / Key areas to note**

### **Covid-19**

- Co-ordinated joint working continues to promote vaccination uptake to eligible groups.
- The Health Protection Forum has strategic oversight for our jointly owned 'Local Outbreak Control Plan' and leads on the coordination of the approach to preventing, containing and managing outbreaks.

### **Quality and Access of Care**

- The impact of the pandemic has led to pressure on the health and social care system. Joint working with NHS colleagues through the new Integrated Care System at both a Black Country and place level is ongoing to address this, including through the promotion of local initiatives such as Health Checks.

## Earmarked Reserves

Earmarked Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	What would be the effect on services if the reserve is not utilised in this way	Approved Commitments for future years (2023-2024 onwards) £000
<b>Public Health</b>						
Public Health	This reserve has been established from ring fenced Public Health grant and is to fund one-off public health initiatives.	(7,936)	(6,139)*	Plans for use in 2022-2023 were approved in the Performance and Budget Monitoring Reports to Cabinet on 16 November 2022	The Draft Budget and MTFS 2023-2024 to 2025-2026 reported to Cabinet on 19 October 2022, incorporated the use of £2 million of this reserve over the period of 2023-2024 to 2024-2025	2,218*

Full list of forecast balances of all reserves reported to Reserves Working Group on 8 November 2022.

\*updated to reflect use of reserves as approved Cabinet on 16 November 2022

# Strategic Risk Register

Risks last reported to the Audit and Risk Committee on 28 November 2022.

- The following strategic risk relevant to this panel:
  - Refugee and Asylum accommodation and support
- Other strategic risks which may have an impact on this panel
  - Medium Term Financial Strategy
  - Financial wellbeing and resilience
  - Charging Reform and Fair cost of care



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