

Performance, Budget and MTFS

Fulfilled Adult Lives Scrutiny Panel

17 January 2023

Introduction

Budget Scrutiny for

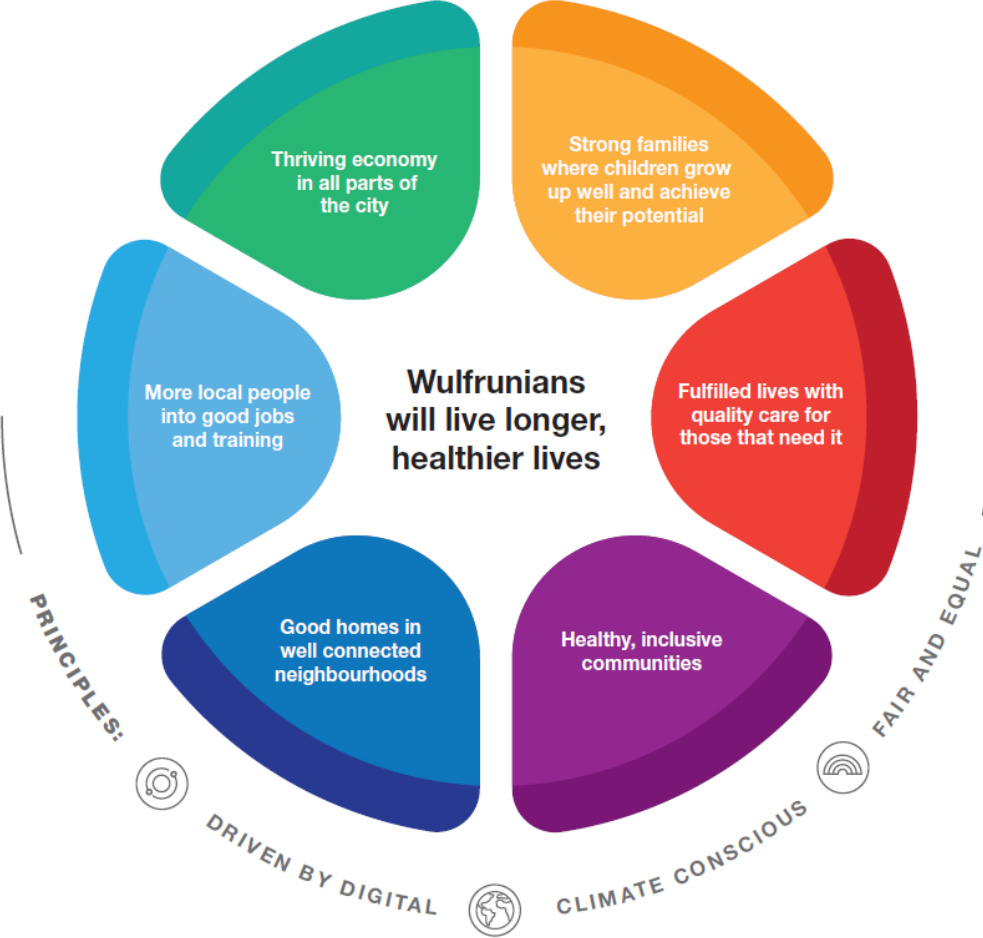
- Background
- 2022-2023 Performance and Budget monitoring update – as at quarter 2
- 2023-2024 Draft Budget and Medium Term Financial Strategy
- Future Challenges
- Strategic Risk Register

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
- 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.

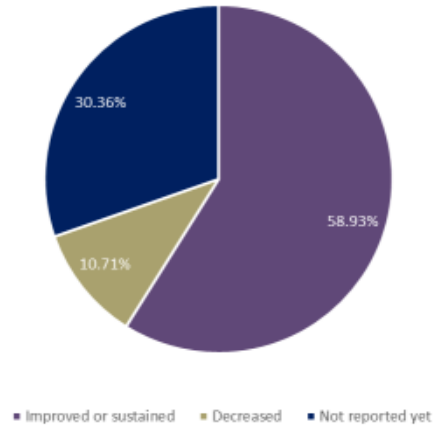
Of these;

- 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

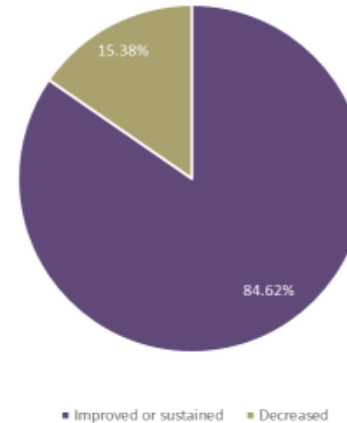
** Those not updated are where we are awaiting the publication of national data sets and the release schedule is not in our control. An example of this is Educational Attainment, which is a yearly updated that had not been published before the end of Q2 2022-2023*

Overall Our City: Our Plan Performance – Quarter 2

% of indicators improving
(all indicators)



% of indicators improving
(those with available updates)



Overall Our Council Q2 Performance

Number of indicators	Number showing improved or sustained performance	Number showing decreased performance	Number with no update
5	4	1	0

Decreased performance

% of adults with learning disabilities in paid employment

No update in YTD

N/A

Overall Our Council Q2 Performance

Data from the SALT statutory national return data released on 20th October 2022. Four of the indicators within the framework are linked to this release.

Large increase in the **percentage of adults in receipt of long-term services who are in control of their own lives** (81.6%), with Wolverhampton's performance national rank moving from 120th to 14th. This is an increase in quartile from D (the lowest) to A (the highest).

Wolverhampton Adult Social Care adopt a strengths-based approach to social work, supporting young people and adults to be as in control of their own lives as much as possible.

We ensure that people are at the centre of decisions made about them and that we listen to what a good life looks like for them. We respect their views; we include family where appropriate and ensure people have access to independent advocacy

Overall Our Council Q2 Performance

Large increases were also seen in the **percentage of adults who use services who say social care services help them to feel safe and secure** (88.3%). Wolverhampton's national rank has moved from 111th to 48th, with the quartile moving.

We aim to have honest conversations with young people and adults we connect with. We aim to build trusting relationships. We do not make long term decisions when people's lives are in crisis. We listen, to understand what is important to people, what a good life looks like and how they can achieve it.

Our focus is ensuring people can access the right support at the right time to keep or regain their independence, continue to use what is strong in their families and communities, with choice and control. When there are safeguarding concerns we always ask people what is important to them, to make them feel safe and secure and ask whether that has been achieved.

Overall Our Council Q2 Performance

The percentage of adults with learning disabilities in paid employment has decreased slightly, however this is in line with trends seen nationally.

The Council has recently created an in house supported employment team to target increased performance in this area, with improvements targeted before the end of the financial year.

The percentage of older people (aged 65 and older) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services saw a 5% improvement on 2021/22, however this was a smaller increase than that seen nationally.

Forecast Budget Position – Summary

Service	Net Controllable Revised Budget 2022-2023 £000	Net Controllable Forecast 2022-2023 £000	Q2 Variance		Reason for Quarter 2 Variance
			£000	%	
Adults Assessment and Care Management	5,650	5,641	(9)	-0.16%	
Adults Safeguarding	1,123	881	(242)	-21.55%	The forecast underspend is mainly due to the delay in the introduction of new Deprivation of Liberty Safeguards legislation (Liberty Protection Safeguards) which will require the forecast staffing costs to meet the new statutory duties required of the local authority.
Carer Support	769	666	(103)	-13.39%	The forecast underspend is mainly due to Carer Support care purchasing and also staffing underspend due to vacant posts. This is offset in part by the online carer support pilot.
Community Financial Support	1,629	1,613	(16)	-0.98%	
Community Support	142	142	-	-	
Director of Adults services and Additional Monies	(6,878)	(6,878)	-	-	
Emergency Duty Team	-	-	-	-	
Independent Living Service	1,731	1,729	(2)	-0.12%	
Learning Disabilities Care Purchasing	27,155	26,874	(281)	-1.03%	This budget was allocated considerable growth for 2022-2023 (net uplift £2.5 million) to cover fee uplifts and increased demand, and to date is showing a small underspend against this growth.
Learning Disability Provider	4,984	4,903	(81)	-1.63%	The forecast underspend is due to staffing.

Forecast Budget Position – Summary

Service	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q2 Variance		Reason for Quarter 2 Variance
	£000	£000	£000	%	
Mental Health Assessment & Care Management	7,690	7,690	-	-	
Older People Care Purchasing	26,117	25,744	(373)	-1.43%	This budget was allocated considerable growth for 2022-2023 (net increase £4.2 million), due to changes such as the fee review and ending of the government's Homefirst Discharge funding, as well as increased spot placement costs due to pressures related to inflation. To date it is forecast that this growth will be sufficient and will result in a small underspend. There is however risk around this position due to the continuing impacts of inflation, and the potential changes brought about by charging reform.
Older People Provider Services	3,866	3,791	(75)	-1.94%	The forecast underspend is due to staffing vacancies.
Physical Disabilities Care Purchasing	5,647	5,647	-	-	
Commissioning and Transformation*	3,161	3,161	-	-	
	82,786	81,604	(1,182)	-1.43%	

*Commissioning and Transformation falls under both Fulfilled Adults Lives and Stronger Families, Children and Young People Scrutiny Panel

Forecast Budget Position – key areas to note

- Underspends are forecast on:
 - Adult Safeguarding - The forecast underspend is mainly due to the delay in the introduction of new Deprivation of Liberty Safeguards legislation (Liberty Protection Safeguards) which will require the forecast staffing costs to meet the new statutory duties required of the local authority.
 - Carer Support - The forecast underspend is mainly due to Carer Support care purchasing and also staffing underspend due to vacant posts. This is offset in part by the online carer support pilot.
 - Learning Disabilities and Care Purchasing – This budget was allocated considerable growth for 2022-2023 (net uplift £2.5 million) to cover fee uplifts and increased demand, and to date is showing a small underspend against this growth.
 - Older People Care Purchasing - This budget was allocated considerable growth for 2022-2023 (net increase £4.2 million), due to changes such as the fee review and ending of the government's Homefirst Discharge funding, as well as increased spot placement costs due to pressures related to inflation. To date it is forecast that this growth will be sufficient and will result in a small underspend. There is however risk around this position due to the continuing impacts of inflation, and the potential changes brought about by charging reform.

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	642	(250)	34,982
Resources and Equality Scrutiny Panel	197,087	(108,345)	88,742	14,112	2,836	(1,852)	103,838
Fulfilled Adult Lives Scrutiny Panel	119,537	(38,574)	80,963	172	4,705	(2,000)	83,840
Strong Families, Children, and Young People Scrutiny Panel	242,021	(189,715)	52,306	442	-	-	52,748
Commissioning and Transformation***	3,815	(262)	3,553	-	-	-	3,553
Net Budget Requirement	685,975	(418,816)	267,159	15,082	8,273	(5,132)	285,382
Corporate Resources			(267,159)	-	(11,081)	-	(278,240)
Budget Challenge as at October 2022							7,142

- *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

**Fulfilled Adult Lives
Scrutiny Panel
2023-2024 draft budget and MTFS**

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	2023-2024 Draft Net Revenue Expenditure / (Income) Budget £000
Adult Assessment and Care Management	7,652	(1,505)	6,147	45	-	-	6,192
Adults Safeguarding	1,252	(108)	1,144	3	-	-	1,147
Carer Support	839	(54)	785	3	-	-	788
Community Financial Support	2,356	(614)	1,742	16	-	-	1,758
Community Support	148	0	148	-	-	-	148
Director of Adults services and Additional Monies	1,515	(8,379)	(6,864)	16	-	-	(6,848)
Independent Living Service	3,065	(1,279)	1,786	12	-	-	1,798

- *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
- At this point in time some growth and savings are provisionally being held in Corporate Accounts and will allocated when services have identified where it needs to be reflected.

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	2023-2024 Draft Net Revenue Expenditure / (Income) Budget £000
Learning Disabilities Care Purchasing	33,847	(6,691)	27,156	-	1,841	-	28,997
Learning Disability Provider	5,607	(302)	5,305	18	-	-	5,323
Mental Health Assessment & Care Management	8,938	(1,346)	7,592	12	400	-	8,004
Older People Care Purchasing	42,712	(16,298)	26,414	-	2,047	-	28,461
Older People Provider Services	4,193	(106)	4,087	47	-	-	4,134
Physical Disabilities Care Purchasing	7,413	(1,892)	5,521	-	417	-	5,938
Strategic Commissioning	3,815	(262)	3,553	-	-	-	3,553
Total	123,352	(38,836)	84,516	172	4,705	-	89,393

- *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
- At this point in time some growth and savings are provisionally being held in Corporate Accounts and will allocated when services have identified where it needs to be reflected.

Changes to budget–saving / growth

- There are no savings targets in the MTFS currently under the remit of this panel.
- Under the remit of this panel the MTFS currently has the following growth built into the budget:

Growth		£ 000
Demographic Growth	Adult Social Services Demography/Demand/Transition including fee uplift	4,705

*This excludes the reversal of prior year one-off savings

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

- Demand for social care has increased following the pandemic and the outcome of the redesign could increase the overall cost of the structure of adult services initially.
- Inflation and cost of living crisis is having a significant impact on the provider market and care package costs; the local authority has a statutory duty to provide care for everyone with an assessed need for care so this presents a risk to the Care purchasing budget
- National instruction to focus on hospital discharges has resulted in more complex discharges being picked up by social care
- Workforce and retention; increases nationally of people leaving the profession and less people wanting to work in care creates further pressures

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
Adult Services						
Adult Services Transformation Reserve	Over the next few years the Adult Service Transformation Programme will be refreshed and will prioritise a number of key projects, including the redesign of the operating model, associate structures, and review of the practice model. This reserve will be used to support this transformation work and deal with the growing demand within Adult Social Care	(2,478)	(655)	This reserve will be used to support the redesign of Adult services.	This would mean less capacity to support increases in demand and transformational work.	268
Adults Social Care Reserve for Growth and Demand Pressures	This reserve is to support increases in growth and demand across adult social care	(1,000)	(2,000)	The Draft Budget and MTFS 2023-2024 to 2025-2026 reported to Cabinet on 19 October 2022, incorporated the use of this reserve in 2023-2024.		2,000
Adult Services Total		(3,478)	(2,655)			2,268

Earmarked Reserves

- Full list of forecast balances of all reserves including Earmarked Reserves with specific Criteria were reported to Reserves Working Group on 8 November 2022 which can be access from:
<https://wolverhampton.moderngov.co.uk/ieListDocuments.aspx?CId=358&MId=19012&Ver=4>
- *updated to reflect use of reserves as approved Cabinet on 16 November 2022

Strategic Risk Register

- Risks last reported to the Cabinet on 16 November 2022.
- The following strategic risk relevant to this panel:
 - Safeguarding Adults
 - Social Care Providers Adults
 - Changing Reform and Fair Cost of Care
- Strategic Risk register is available at:
<https://wolverhampton.moderngov.co.uk/documents/s224776/Appendix%203%20-%20Strategic%20Risk%20Register.pdf>

wolverhampton.gov.uk