

Performance, Budget and MTFS

Children and Young People Scrutiny Panel
16 November 2023

Introduction

Budget Scrutiny for

- Background
- Draft Budget 2024-2025 and Medium Term Financial Strategy
- Our City Our Plan Performance
- Future Challenges
- Strategic Risk Register

Background

- This presentation provides an update on the budget position and the draft budget for 2024-2025.
- 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 2024-2025 and Medium-Term Financial Strategy

Draft Budget 2024-2025 and MTFS Overview

Draft Budget and MTFS

- The 2023-2024 budget and MTFS was approved by Full Council on 1 March 2023. We reported a forecast budget deficit of £16.4 million in 2024-2025 rising to £23.1 million over the medium term to 2025-2026.
- Work has been ongoing to reduce the deficit with an update to Cabinet on 18 October 2023. The budget deficit for 2024-2025 is now projected to be in the region of £2.6 million.
- However, the budget and MTFS include efficiency targets which are held corporately totalling £6.2 million in 2023-2024, of which only £2 million has been allocated on a recurrent basis and £4.2 million is one off in nature.
- In addition, the current working assumptions include a further £2.6 million efficiency target for 2024-2025.
- Therefore, in addition to the £2.6 million projected deficit, efficiencies totalling £6.8 million is still required to be identified for 2024-2025.

Draft Budget and MTFS

- The projected budget deficit rising to over £20 million for 2025-2026.
- Work will continue to be undertaken to bring forward proposals to set a balanced budget for 2024-2025 and deliver a sustainable medium term financial strategy.
- Budget setting process is still under way. The Draft Budget presented in these slides is subject to changes.

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

Scrutiny Panel	2023-2024 Gross Expenditure Budget £000	2023-2024 Gross Income Budget £000	2023-2024 Net Revenue Expenditure/ (Income) Budget £000	Pay Related growth* £000	Growth 2024-2025 £000	Savings 2024-2025 £000	2024-2025 Draft Net Revenue Expenditure / (Income) Budget £000
Economy and Growth Scrutiny Panel	17,430	(10,946)	6,484	-	-	-	6,484
Health Scrutiny Panel	30,993	(29,897)	1,096	-	(360)	-	736
Resources and Equality Scrutiny Panel	225,199	(114,244)	110,955	10,645	(4,674)	4,423	121,349
Climate Change, Housing and Communities Scrutiny Panel	88,320	(49,485)	38,835	-	15	(1,000)	37,850
Children and Young People Scrutiny Panel	262,674	(209,208)	53,466	-	1,000	-	54,466
Adults Scrutiny Panel	139,025	(43,447)	95,578	-	11,699	-	107,277
Net Budget Requirement	763,641	(457,227)	306,414	10,645	7,680	3,423	328,162
Corporate Resources			(306,414)		(19,154)		(325,568)
Budget Challenge as at 18 October 2023							**2,594

- Draft revised budget for 2023-2024 does not reflect passing out 2023-2024 pay award. This is held corporately. The 2023-2024 pay award was approved on 1 November and budgets will be passed out to services over the next few months
- * Pay related growth currently held corporately – includes provision for a 3% pay award
- **projected budget deficit assuming the delivery of efficiency targets totalling £6.8 million in 2024-2025

Overview – Uncertainties

- There continues to be significant uncertainty around
 - Future funding
 - Inflationary pressures
 - Demand for services
 - Future pay awards – currently assumes 3% in 2024-2025 and 2% for future years

**Children and Young People
Scrutiny Panel**

Draft budget 2024-2025 and MTFS

Draft Budget

Service	2023-2024 Gross Expenditure Budget £000	2023-2024 Gross Income Budget £000	2023-2024 Net Revenue Expenditure/ (Income) Budget £000	Pay Related growth* £000	Growth 2024-2025 £000	Savings 2024-2025 £000	2024-2025 Draft Net Revenue Expenditure / (Income) Budget £000
Children & Young People In Care	40,523	(7,257)	33,266		1,000	-	34,266
Director of Children's Services	544	-	544		-	-	544
Head of Children's Improvement	7,624	(5,901)	1,723		-	-	1,723
Regional Adoption Agency Consortium	5,349	(5,349)	-		-	-	-
Safeguarding	638	(313)	325		-	-	325
Specialist Support	5,528	(1,684)	3,844		-	-	3,844
Strengthening Families	12,843	(3,280)	9,563		-	-	9,563
Youth Offending	2,242	(1,036)	1,206		-	-	1,206

- draft revised budget after reversal of one-off virements
- The 2023-2024 pay award was approved on 1 November and is currently held corporately -
- The forecast impact of the 2024-2025 pay related growth –increments, NI and potential pay award is also held corporately. Current working assumptions make provision for a pay award of 3%
- At this point in time some growth and efficiency targets are being held in Corporate Accounts and will allocated when services have identified where it needs to be reflected.

Draft Budget

Service	2023-2024		2023-2024		Pay Related growth* £000	Growth 2024-2025 £000	Savings 2024-2025 £000	2024-2025
	Gross Expenditure Budget £000	Gross Income Budget £000	Net Revenue Expenditure/ (Income) Budget £000	Draft Net Revenue Expenditure / (Income) Budget £000				
Central Education	12,515	(13,219)	(704)	-	-	(0,704)		
Director of Education	137	-	137	-	-	0,137		
Early Years	14,163	(13,925)	238	-	-	0,238		
Educational Excellence	2,564	(1,943)	621	-	-	0,621		
Inclusion Support	2,851	(1,878)	973	-	-	0,973		
School Business and Support Services	16,046	(15,353)	693	-	-	0,693		
Schools	121,196	(121,196)	-	-	-	-		
Special Educational Needs	16,453	(16,743)	(290)	-	-	(0,290)		
Commissioning and Transformation	1,458	(131)	1,327	-	-	1,327		
Total	262,674	(209,208)	53,466	-	1,000	54,466		

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Our City Our Plan Performance

Performance Overview

Stronger families where children grow up well and achieve their full potential

Continued strong performance in this area with encouraging initial results from statutory returns completed in Childrens Social Care with full results published pre-Christmas.

Significantly improved performance of Education, Health & Care Plans issues within 20 weeks over the year to date.

Decrease in First Time Entrants to the Youth Justice Service is linked to new national reporting methodology.

Despite an in-quarter decrease in the % of care leavers in education, employment or training, performance is still considerably higher than statistical neighbours.

Performance Overview

Stronger families where children grow up well and achieve their full

Number of indicators	Number showing improved or sustained performance	Number showing decreased performance	Number with no update
14	9	2	3

Decreased performance

First time entrants to the Youth Justice System

% of 16 and 17 year-olds in education, employment or training

No update in YTD

Education attainment data

Performance Overview

Stronger families where children grow up well and achieve their full

Indicator	Source	WLV March 2021	WLV March 2022	WLV Sept 2022	WLV Mar 2023	WLV June 2023	WLV Sept 2023	Trend	Latest WLV Quartile
Rate of children open to social care per 10,000 population under 18	LAIT	357.5	426.6	455.3	415.4	444	439.6		
% of repeat referrals into Children's Social Care within 12 months	LAIT	20.9	19.5	21.8	23	22.9	23		B
% of children and young people in care who have had 3 or more placements in the year	LAIT	6	6	5.3	6.4	7.6	7.7		A
First time entrants into the Youth Justice System per 100,000 10-17yrs population	LAIT	201	158	111	109	161			B
% of care leavers in education, employment or training	LAIT	46	56	57.1	59	59.4	56		B

Performance Overview

Stronger families where children grow up well and achieve their full

	Source	WLV March 2021	WLV March 2022	WLV Sept 2022	WLV March 2023	WLV June 2023	WLV Sept 2023	Trend
% of Early Years and Childcare settings rated Good or Outstanding	LAIT	89	92	92	91	91	90	
% of schools in the city that are rated Good or Outstanding	LAIT	87	87	89	89	89	89	
% of 2-year-olds benefitting from funded early education	LAIT	59	78	71	78	78	78	
% of 16 and 17 year-olds in education, employment or training	LAIT	96.1	96.4	95.6	96	95.8	95.6	
% of EHCP plans issued within 20 weeks (excluding exceptions)	LAIT	38.1	25.7	30	43	65	73	
% of 16 and 17 year-olds with SEND in education, employment or training	LAIT	88	90	88.5	87.7	82.9	80.8	

Indicator	Source	2018	2019	2020	2021	2022	Latest SN Rate	Latest WM Rate	Latest WLV Rank	Latest WLV Quartile	Next Quartile Target	DoT
Average Attainment 8 Score per pupil	LAIT	44.4	45.1	49.2	50	47.7	45.68	47.5	78	C	47.8	Improving
Average Attainment 8 Score per pupil - disadvantaged	LAIT	37.2	38.9	41.5	42.2	41.1	36.59	38.5	28	A	N/A	Improving
Average Attainment 8 Score per pupil - non disadvantaged	LAIT	49.2	49.3	54.2	55.8	52.9	50.54	51.6	59	B	54.95	Improving

Risks / Key areas to note

Children and Young People in Care

- The increasing cost of residential placements is a national trend resulting from inflation and increasing demand in a provider led market. As well as opening two Children's homes to care for up to 4 children, the Council is undertaking further analysis of the demand and cost of Children's residential care.

Children and Young People in Care

- For certain care types such as Independent fostering the Council is part of a regional framework and has limited control over fee increases in a provider led market.

Strengthening Families

- The Council has a lower staffing turnover rate than statistical neighbours, leading to reduced reliance on agency staff and associated costs, however there is a risk this could change in light of the national issues with recruitment and retention.

Earmarked Reserves

- Full list of Earmarked Reserves balances of all reserves at the end of 2022-2023 financial year were last reported to Cabinet on 12 July 2023 which can be access from:

[Agenda for Cabinet on Wednesday, 12th July, 2023, 5.00 pm :: Wolverhampton City Council \(moderngov.co.uk\)](#)

- Forecast Reserves balances for 2023-2024 will be going to Resources and Equality Scrutiny Panel on 7 December 2023.

Strategic Risk Register

- Risks last reported to the Cabinet on 15 November 2022.
- The following strategic risk relevant to this panel:
 - Safeguarding Children
 - Financial wellbeing and Resilience
- Strategic Risk register is available at:
- <https://wolverhampton.moderngov.co.uk/documents/s256782/Appendix%206%20-%20Strategic%20Risk%20Register.pdf>

wolverhampton.gov.uk