

Adults and Safer City Scrutiny Panel

05 December 2016

Report title	Draft Budget and Medium Term Financial Strategy 2017/18 - 2019/20	
Cabinet member with lead responsibility	Councillor Sandra Samuels Adult Services	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor Tel Email	Director of Finance 01902 554410 Mark.Taylor@wolverhampton.gov.uk
Report to be/has been considered by		

Recommendation(s) for action or decision:

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget 2017/18, in particular those elements that are relevant to this Scrutiny Panel, including specifically:
 - a. the Budget Reduction and Income Generation Proposals summarised at Appendix A.
 - b. the Financial Transactions and Base Budget Revisions summarised at Appendix B.
 - c. the other underlying assumptions to the 2017/18 Draft Budget as detailed at Appendix C.

This report is PUBLIC
[NOT PROTECTIVELY MARKED]

2. 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 Draft Budget 2017/18 including the related Budget Reduction and Income Generation Proposals, Financial Transactions and Base Budget Revisions and underlying Medium Term Financial Strategy (MTFS) assumptions that was approved by Cabinet to proceed for formal consultation and scrutiny stages of the budget process, as appropriate, on 19 October 2016.

2.0 Background

- 2.1 At its meeting on 19 October 2016, the Cabinet considered the Draft Budget for 2017/18. Cabinet approved this as the basis for budget consultation and scrutiny over the forthcoming months.
- 2.2 The Cabinet report recommended that Budget Reduction and Income Generation Proposals amounting to £13.5 million in 2017/18 proceed to the formal consultation and scrutiny stages of the budget process. The Proposals that fall within the scrutiny remit of this Panel are shown at Appendix A.
- 2.3 The Cabinet report further identified that £10.0 million of Financial Transaction and Base Budget Revisions be incorporated into the 2017/18 Draft Budget. The Revisions that fall within the scrutiny remit of this Panel are shown at Appendix B.
- 2.4 Included at Appendix C is the other underlying assumption that impacts on the 2017/18 Draft Budget, that falls within the remit of this Panel, for example inflationary, demographic and pay related pressures.
- 2.5 It is important to note that any budget reduction and income generation proposals approved as part of prior year budget setting processes have already been scrutinised and approved by Cabinet and are therefore, already included in the MTFS.
- 2.6 As detailed in the Cabinet report, the 2017/18 Draft Budget will be considered by Scrutiny Panels during the November/December round of meetings and the feedback from those meetings will be reported to Scrutiny Board on 13 December 2016, which will consolidate that feedback in a formal response to Cabinet on 18 January 2017. 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 2017, for approval by Full Council in March 2017.
- 2.7 In order to limit the volume of paper used as part of the budget reporting process, the Cabinet report has not been appended to this covering report. Panel members are instead requested to bring their copy of the Draft Budget and Medium Term Financial Strategy 2017/18 - 2019/20 report, which was circulated with the 19 October 2016 Cabinet agenda. Detail of all the Council's individual proposals, including the latest to be considered by Cabinet on 19 October 2016, can be found on the Council's website at:

<http://www.wolverhampton.gov.uk/budgetsavings>

3.0 Proposals relating to the work of this Panel

- 3.1 Included in the Draft Budget strategy are budget reduction and income generation proposals and financial transaction and base budget revisions relating to the remit of this Panel. These are listed at Appendices A and B. The Panel is requested to provide and record its comments on these proposals, for submission to Scrutiny Board and then Cabinet.
- 3.2 In addition to commenting on these specific proposals, the Panel may also request additional information or clarification in relation to the budget and MTFS. Any such requests will be noted separately, either for consideration by the Panel at a future date, or for information to be forwarded to the Panel members concerned.

4.0 Financial implications

- 4.1 The financial implications are discussed in the body of the report, and in the report to Cabinet. [MH/11112016/R]

4.0 Legal implications

- 5.1 The legal implications are discussed in the report to Cabinet. [TS/11112016/R]

5.0 Equalities implications

- 5.1 The equalities implications are discussed in the report to Cabinet.

6.0 Environmental implications

- 6.1 The environmental implications are discussed in the report to Cabinet.

7.0 Human resources implications

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

8.0 Schedule of background papers

- 9.1 Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, report to Cabinet, 19 October 2016

Budget Reduction and Income Generation Proposals by Cabinet Portfolio

Adults

Details	2017/18 £000	2018/19 £000	2019/20 £000
<p>Older People Assessment and Care Management – Promoting Independence Through an increased emphasis on systematically promoting the independence of service users there will be a reduction of expenditure on Adult Care Purchasing Budgets. This will include a range of initiatives including; the roll out of Promoting Independence/New Ways of Working across all teams, Reablement of Individuals to promote independent living skills, increased use of Telecare, introduction of a Discharge to Assess model from Hospital, introduction of the Family Group model in Customer Services to provide advice and information and ongoing review of packages of care.</p>	(1,100)	-	-
<p>Age UK Contract Review Age UK are already 90% self financing and have confirmed that they are in the process of redesigning and commercialising the service in line with our expectations and will therefore maintain the current valued service without requiring on-going funding from the Council from April 2017. The provider has committed to continued regular engagement with the Council to evidence outcomes and service developments.</p>	(48)	-	-
<p>Equipment Store Tender The recommissioning of the Council's equipment store in partnership with Wolverhampton Clinical Commissioning Group was agreed in July 2016. The service will be advertised with a reduced budget so the bidders will be required to submit costs based on a more streamlined and efficient service model.</p>	(150)	-	-
<p>Transformation of the Emergency Duty Team</p>			

Budget Reduction and Income Generation Proposals by Cabinet Portfolio

Details	2017/18 £000	2018/19 £000	2019/20 £000
<p>The Emergency Duty Team (EDT) is currently under review for redesign. There is a current proposal to amalgamate the Emergency Duty function across the Black Country with two other Local Authorities; Dudley and Sandwell.</p> <p>The Emergency Duty Service covers a variety of tasks for Children and Adults. The budget across the three authorities is in excess of £1.2 million. This proposal will deliver efficiencies across the three authorities as well as addressing the cost pressure which was in the region of £185,000 in 2015/16.</p>	(100)	-	-
<p>Disability and Mental Health – Promoting Independence</p> <p>The new delivery model across adult social care is called “Promoting Independence”. The model concentrates on keeping all individuals, whatever their needs, to remain as independent as is safely as possible.</p> <p>The key component to achieving the successful delivery of the model and to achieve the savings is to focus social work on specific areas of work such as shifting the balance from care home placement to supported living and to develop a shared approach with Health partners. Further savings can be achieved by concentrating on specific areas such as:</p> <ul style="list-style-type: none"> * Section 117 Aftercare, The application of 117 under the Mental Health Act is the legal responsibility to provide aftercare following detention under the Mental Health Act. The share of funding across the Local Authority and NHS is under review; * An increased use of Telecare to help support more people safely in supported housing; * Ensuring tight application of Continuing Health Care criteria; * A robust concentrated approach to resettlement across the whole service area, effectively 	(3,200)	-	-

Budget Reduction and Income Generation Proposals by Cabinet Portfolio

Details	2017/18 £000	2018/19 £000	2019/20 £000
commissioned; * Review of high cost packages, with a view to changing the service as appropriate; * Robust commissioning approach with providers.			
Housing related Support Service Redesign Housing related support contracts will be rationalised through a combination of contract redesign and merger of similar contracts. Efficiencies will be achieved through reducing overheads, realising economies of scale and reducing capacity to reflect utilisation.	(237)	-	-

Appendix B

Financial Transactions and Base Budget Revisions

Resources

Details	2017/18 £000	2018/19 £000	2019/20 £000
Omega Contract Review	(38)	-	-
Life Direct Contract Review	(149)	-	-
Kaleidoscope Contract Review	(37)	-	-

Appendix C

2017/18 Draft Budget Assumptions

Details	2017/18 £000	2018/19 £000	2019/20 £000
Budget Growth			
People Inflation Contingency – National Living Wage	1,146	1,146	-
Demographic Growth – Adult Social Services Demography/Demand/Transition	1,000	2,000	2,000