



# Adults and Safer City Scrutiny Panel

7 November 2017

<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020	
<b>Cabinet member with lead responsibility</b>	Councillor Sandra Samuels Adults	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keith Ireland, Managing Director	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Claire Nye	Director of Finance
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<b>Report to be/has been considered by</b>		

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## Recommendations for decision:

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget 2018-2019.
2. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the approach to Budget Consultation for 2018-2019.
3. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on progress on key budget reduction targets as detailed in the report.

This report is PUBLIC  
[NOT PROTECTIVELY MARKED]

4. 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 2018-2019 that was approved by Cabinet to proceed for formal consultation and scrutiny stages of the budget process, as appropriate, on 18 October 2017. Furthermore, the Panel's feedback is also sought on the approach to budget consultation and key budget reduction proposals that are built into the Council's Medium Term Financial Strategy (MTFS).

## 2.0 Background

- 2.1 In March 2017, Full Council approved that work started immediately to identify £14.8 million of budget reductions and income generation proposals to address the projected deficit in 2018-2019.
- 2.2 An update was presented to Cabinet on 19 July 2017. The Council had identified a total of £12.5 million budget reduction opportunities towards the strategy of identifying £14.8 million for 2018-2019. Of the £12.5 million budget reductions proposals identified for 2018-2019, £5 million are ongoing budget reductions whilst £7.5 million are one-off budget reductions. The projected budget deficit was reported as £2.3 million for 2018-19.
- 2.3 Over the summer period, detailed work continued to take place and a further update was provided to Cabinet on 18 October 2017. At this meeting, Cabinet approval was sought to reprofile the previously approved Waste and Recycling budget reduction targets totalling a cumulative £2.1 million to 2019-2020, to reflect the anticipated implementation date. As a result of this, the remaining budget deficit to be identified for 2018-2019 increased from £2.3 million to £4.4 million. However, Cabinet approval was also sought to implement a further three financial transaction proposals in 2018-2019 totalling £4.4 million, which it is projected will enable the Council to set a balanced budget for 2018-2019.
- 2.4 As in previous years, the budget consultation process for the 2018-2019 budget will include four evening meetings at various venues in Wolverhampton, as well as a breakfast meeting with business representatives and other meetings with community groups. Furthermore, an online and paper survey will be used to support the consultation process. The 2018-2019 budget consultation focus is on how the Council and the community can Work Smarter Together. Details of the Council's budget consultation and the online survey can be found on the Council's website at: <http://www.wolverhampton.gov.uk/budgetconsultation>
- 2.5 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 (MTFS) 2018-2019 – 2019-2020 report, which was circulated with the 18 October 2017 Cabinet agenda. Detail of all the Council's individual proposals, including the latest to be considered by Cabinet on 18 October 2017, can be found on the Council's website at:

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

- 2.6 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.
- 2.7 As detailed in the Cabinet report, the 2018-2019 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 5 December 2017, which will consolidate that feedback in a formal response to Cabinet (Resources) Panel on 16 January 2018. 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 2018, for approval by Full Council in March 2018.

### 3.0 Existing Budget Reduction Targets

- 3.1 In addition to significant savings already achieved in prior years across Adult Services, the MTFS for the period to 2017-2020 includes budget reduction proposals relating to the remit of this Panel. These are detailed in the table below:

**Table 1 - Approved Budget Reduction Targets by Division**

<b>Division</b>	<b>2017-2018 £000</b>	<b>2018-2019 £000</b>	<b>2019-2020 £000</b>
Adults	(4,107)	(2,464)	(4,000)

- 3.2 As detailed in paragraph 2.6, these targets have already been scrutinised by panel. The sections below provide a progress update for Adult Services.

### 4.0 Adult Services Update

- 4.1 Within the Adult Services portfolio a significant proportion of previously approved budget reduction proposals are around 'Promoting Independence'. In April 2015, the Council adopted a policy paper, 'Promoting Independence', that set out a blueprint for a new operating model. This model expected that vulnerable adults in Wolverhampton would be supported to live in their own homes in the City with

support from their social networks, universal services and, where necessary, from paid carers. A key element of this approach was to maximise the strengths and abilities of individuals to maintain or increase their level of independence.

- 4.2 Funding from the Efficiency Reserve has been provided to support two projects across Adults to support the 'Promoting Independence' model. These are Older People Promoting Independence and Supporting Life Choices (SLC).
- 4.3 The focus of the Older People Promoting Independence project was to reduce the number of outstanding reviews whilst at the same time develop new ways of working. The aim to reduce the number of outstanding reviews was also linked to the Council's statutory duties under the Care Act (2014) which instructs all local authorities to ensure that people in receipt of support plans receive a review of their care and support needs at least once every 12 months. One of the key outcomes of the project were to promote independence for Older People giving them more choice and control over their daily lives. The Team commenced in April 2016 and finished in June 2017. The project team completed 746 reviews delivering efficiencies in the region of £900,000. Through a series of planned development events and utilising key evidence and documentation gathered during phase one the project, the good practice developed is being cascaded out to all social care staff across the service.
- 4.4 The aim of the Supporting Life Choices (SLC) is to deliver a reduction in the role of residential care services supporting adults of a working age, focussing on supported living and wrapping support around people in general needs housing. Compared to other authorities in 2015 Wolverhampton made greater use of residential care for adults with disabilities and those with mental health needs. The project made significant progress in 2016-2017 by providing alternative accommodation for people with mental health diagnosis whose care could be provided in ordinary living accommodation. For 2017-2018, the focus of the team has moved to adults with disabilities and the need to transfer services for people who have been placed in care homes, many outside the City, that remain the responsibility of the Council. In line with the policy this requires developing a mixed model of accommodation options in the city and then commissioning social care support in line with individual needs.
- 4.5 The value of the SLC project is in its ability to transform services to move away from the ongoing use of residential care. Initiatives developed by the project in terms of access to housing and the use of person-centred planning tools are being integrated into the wider work of the department.
- 4.6 Whilst the teams have made significant progress over the last few years the service is facing increasing challenges in delivering efficiencies. Budget pressures are being seen particularly across support plans for younger adults with disabilities.

## **5.0 Adult Social Care – New iBCF monies**

5.1 In the Spring Budget 2017, the Chancellor announced additional funding for Adult Social Care. The 2017-2018 allocation for Wolverhampton is £6.4 million. On 18 January 2017, Cabinet approved the adoption of a minimum funding level for Adult Social Care in order ensure that 100% of the additional funds are passported across the Adult Services.

5.2 The grant is paid directly to local authorities via a Section 31 grant from the Department of Communities and Local Government. The conditions of grant specify that the grant must be spent on adult social care and used for the purposes of meeting adult social care needs, reducing pressures on the NHS; including supporting more people to be discharged from hospital when they are ready; and stabilising the social provider market. Local Authorities should also:

- Pool the grant funding into the local Better Care Fund, unless the authority has written Ministerial exemption;
- Work with the relevant Clinical Commissioning Group (CCG) and provides to meet National Condition 4 (Managing Transfers of Care) in the Integration and Better Care Fund Policy Framework and Planning Requirements 2017-2019; and
- Provide quarterly reports as required by the Secretary of State

The Government has made clear that part of the funding is intended to enable local authorities to quickly provide stability and extra capacity in local care systems. Local authorities are therefore able to spend the grant, including to commission care, subject to the conditions set out in the grant determination, as soon as plans for spending the grant have been locally agreed with CCGs involved in agreeing the Better Care Fund plan.

5.3 In terms of the wider context, the funding is also intended to support local authorities to continue to focus on core services, including to help cover the costs of the National Living Wage, which is expected to benefit 900,000 workers. This includes maintaining adult social care services, which could not otherwise be maintained, as well as investing in new services, such as those which support best practice in managing transfers of care.

## **6.0 Adult Services Financial Update**

6.1 The total net controllable budget for Adult Services is £63.3 million. The forecast outturn position for 2017-2018 as reported to Cabinet (Resources) Panel on 25 July 2017 identified a potential overspend of £841,000 for the whole of Adult Services. The main pressures projected across Adults relate to Budget Reduction Targets supporting the Promoting Independence projects. The pressures forecast across these budgets totalled £1.8 million at quarter one, this is offset by the additional non-recurring iBCF funding and one-off efficiencies from other services within adults.

- 6.2 A number of areas are being reviewed to mitigate against this overspend in 2017-2018 and the impact on future years including:
- Use of the new iBCF monies (additional funding)
  - Review of the allocation of demographic growth
  - Review of projected efficiencies from the SLC project
  - New quality assurance meetings to ensure robustness / rigour in challenging support plans
  - Ensuring OT is integral to decision making at an early stage
  - Reviewing the decision-making process for transitions and level of support plans
  - Enhancing the community offer and front door to reduce demand.
- 6.3 The new iBCF monies have enabled the Council to invest in new activity during 2017-2018 with the aim of reducing future demand by enabling people to return home, supporting promoting independence

## **7.0 Scrutiny Panel Recommendations**

- 7.1 The Panel are recommended to provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on:
- the Draft Budget 2018-2019;
  - the approach to Budget Consultation for 2018-2019;
  - the progress on key budget reduction targets as detailed in the report;
  - any other comments.
- 7.2 The Panel are also recommended to 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.

## **8.0 Financial implications**

- 8.1 The financial implications are discussed in the body of the report, and in the report to Cabinet.  
[MH/30102017/X]

## **9.0 Legal implications**

- 9.1 The legal implications are discussed in the report to Cabinet. [TS/27102017/Q]

## **10.0 Equalities implications**

10.1 The equalities implications are discussed in the report to Cabinet.

## **11.0 Environmental implications**

11.1 The environmental implications are discussed in the report to Cabinet.

## **12.0 Human resources implications**

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

## **13.0 Schedule of background papers**

Draft Budget and Medium Term Financial Strategy 2018-19 – 2019-2020, report to Cabinet, 18 October 2017.