

# Performance, Budget and MTFS

Stronger Families, Children and Young People Scrutiny Panel

11 January 2023

# Introduction

## Budget Scrutiny for

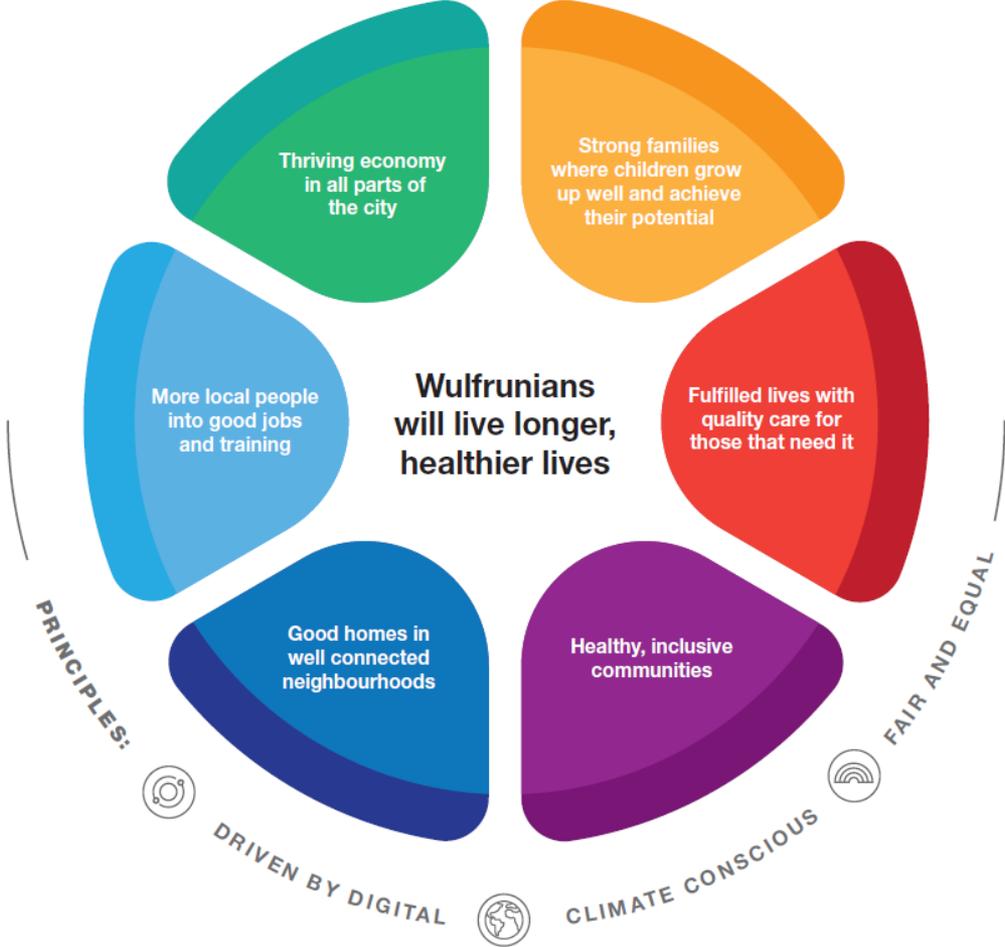
- Background
- 2022-2023 Performance and Budget monitoring update – as at quarter 2
- 2023-2024 Draft Budget and Medium Term Financial Strategy
- Future Challenges
- Strategic Risk Register

## 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.

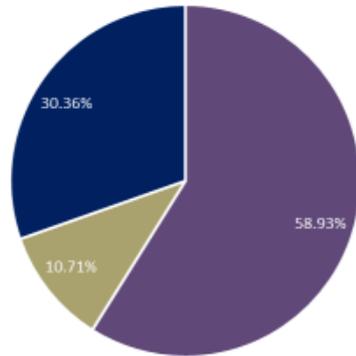
Of these;

- 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*

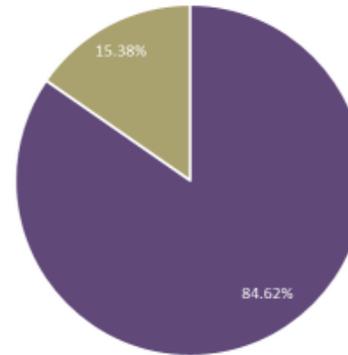
## Overall Our City: Our Plan Performance – Quarter 2

% of indicators improving  
(all indicators)



■ Improved or sustained ■ Decreased ■ Not reported yet

% of indicators improving  
(those with available updates)



■ Improved or sustained ■ Decreased

## Overall Our Council Q2 Performance

Number of indicators	Number showing improved or sustained performance	Number showing decreased performance	Number with no update
13	9	1	3

### Decreased performance

% 16-17 year old in Education, Employment or Training

### No update in YTD

Average Attainment 8 score per pupil - disadvantaged pupils – released by Q3

Average Attainment 8 score per pupil - disadvantaged pupils – released by Q3

% of Children in year 6 with excess weight – no set release date

## **Overall Our Council Q2 Performance – Children’s Social Care**

### **Rate of children open to social care per 10,000 population under 18**

The rate of children open to social care per 10,000 population under 18 remains below the latest published rate for our statistical neighbours, West Midlands and the national average and below the reported rate for Wolverhampton in the 2020/21 year.

This is a positive position in terms of ensuring children and families receive the right level of support at the right time and is underpinned by a strong safeguarding partnership. We are confident this has been safely reduced over recent years to reflect the needs within the city.

### **% of children and young people who have had 3 or more placements in the year**

Positive progress has been maintained and shows social work practice with children and young people is achieving stable homes for them whilst they are in our care.

## Overall Our Council Q2 Performance – Childrens Social Care

### **First time entrants into the Youth Justice System per 100,000 10-17yrs population**

The FTE per 100,000 rate has consistently reduced over the past two quarters, reducing from 160 in the previous quarter to 116 in the current quarter; this is a significant reduction from 201 recorded last year (2021). This will be linked to the introduction and evolvement of the DIVERT protocol, introduced to promote the diversion of young people away from the criminal justice system.

### **% of care leavers in education, employment or training**

The current internal performance data shows that Wolverhampton has a higher percentage of care leavers in Education, Employment and Training than the latest published percentage for the West Midlands, statistical neighbours and the national average. This is an increase of 11% on last years published data. However, in quarter there has been a decrease of 2.9%. This is attributed to changes in settings at the start of the new education term.

## **Overall Our Council Q2 Performance – Education**

### **% of Early Years and Childcare settings rated Good or Outstanding**

The percentage of early years and childcare settings rated good or outstanding remains below the latest published rate of our statistical neighbours however the direction of travel has remained consistent within the last 12 months as settings are now supported as under the Education Excellence strategy.

### **% of schools in the city that are rated Good or Outstanding**

The percentage of schools in the city that are rated good or outstanding remains an area of strength with current performance at 89% in Q2. This is 5% higher than the statistical neighbours. This is reflected from the implementation of the Education Excellence Strategy which was launched in September 2021.

### **% of 2-year-olds benefitting from funded early education**

Although there has been an improvement in the percentage of 2 year olds benefitting from funded early education in the last 12 months by 11%, this remains lower than West Midlands, statistical neighbours and national average. Since 2019 the direction of travel has been improving and a partnership approach of targeted work is driving this forward.

## Overall Our Council Q2 Performance – NEET

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

16 and 17 year-olds in education, employment or training saw a decrease of 2.7% compared to last quarter data to 95.6%.

This decrease has been linked to the end of the school term and change in education settings which causes a lag in the recording of new settings. Data will be tracked through October and November to track the expected improvement.

Despite this decrease, performance for Wolverhampton remains above statistical neighbour averages.

## Overall Our Council Q2 Performance – NEET

### **% of 16 and 17 year-olds with SEND in education, employment or training**

However, the percentage of 16 and 17 year-olds with SEND in education, employment or training has improved to 88.5%, 6% higher than statistical neighbours.

This highlights the positive work being undertaken through the SEND Written Statement of Action and specifically is due to targeted work through Connexions Improvement Advisors so the pathways are smoother during transition between settings meaning earlier recording of new settings.

Additional resources have been put into this area to support this work.

## Forecast Budget Position – Summary

Service	Net	Net	Q2 Variance		Reason for Quarter 2 Variance
	Controllable Revised Budget 2022-2023 £000	Controllable Forecast 2022-2023 £000	£000	%	
Children & Young People In Care	31,600	31,473	(127)	(0.40%)	The forecast underspend is against placement budgets as a result of the robust oversight and management of demand across the service. The number of placements are continuing to reduce, however complexity of the mix has resulted in a number of higher cost placements. This has been evidenced also in the children with disabilities demand which has continued to increase year on year. A full review of the service to understand anticipated future demand is currently underway.
Director of Children's Services	614	528	(86)	-	The forecast underspend is mainly due to lower than anticipated support costs to be spent to support various projects across Children's Services.
Head of Children's Improvement	1,393	1,384	(9)	(0.67%)	
Headstart	-	-	-	-	
Regional Adoption Agency Consortium	-	-	-	-	
Safeguarding	297	290	(7)	-2.47%	

## 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	%	
Specialist Support	4,117	3,357	(760)	(18.47%)	The forecast underspend is mainly due to one-off, in year savings from the closure of Key to Inspiration. Cabinet (Resources) Panel on 6 July 2022, received a report on the strategy to develop two new Children's Homes within the City.
Strengthening Families	10,080	10,020	(60)	(0.59%)	The forecast underspend mainly relates to the one-off in year staff vacancies, as we continue to struggle to recruit to experienced social worker posts. This is offset in part by an increase in demand over the summer months to support 'no recourse of public funds' families and an increase in projected professional fees (Including legal fees, medical costs, Counselling etc).
Youth Offending	1,167	1,159	(8)	(0.71%)	
Central Education	(740)	(740)	-	-	
Director of Education	153	153	-	-	
Early Years	315	315	-	-	
Inclusion Support	885	903	18	2.03%	
Schools	-	-	-	-	
Education Excellence	770	750	(20)	(2.60%)	
Special Educational Needs	(428)	(428)	-	-	
School Business and Support Services	456	463	7	1.54%	
Commissioning and Transformation*	3,161	3,161	-	-	
	<b>53,840</b>	<b>52,788</b>	<b>(1,052)</b>	<b>(1.95%)</b>	

\*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

Overall Children's and Education Services is projecting an underspend of £1.1million, due to strong financial management and transformative projects and programmes which have achieved significant and positive changes for children and young people living and learning in Wolverhampton. To date, Wolverhampton has not seen a significant increase in demand on children's social care as a result of the pandemic, however, there continues to be significant uncertainty over the impact of Covid-19 on this service over the short to medium term, and more recently the increased cost of living. Work will continue to model the potential financial effects of the pandemic and the impact of the increase in the cost of living on the service.

**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
<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

**Stronger Families, Children  
and Young People  
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
Central Education	10,432	(11,171)	(739)	-	-	-	(739)
Children & Young People In Care	36,868	(4,644)	32,224	73	-	-	32,297
Director of Children's Services	646	0	646	7	-	-	653
Director of Education	131	0	131	6	-	-	137
Early Years	11,855	(11,527)	328	4	-	-	332
Educational Excellence	2,638	(1,849)	789	19	-	-	808
Head of Children's Improvement	5,973	(5,283)	690	16	-	-	706
Headstart	143	(145)	(2)	-	-	-	(2)
Inclusion Support	3,972	(2,920)	1,052	41	-	-	1,093
Regional Adoption Agency Consortium	5,332	(5,332)	0	28	-	-	28

- ~~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
Safeguarding	982	(265)	717	12	-	-	729
School Business and Support Services	16,110	(15,534)	576	20	-	-	596
Schools	111,633	(111,633)	-	-	-	-	-
Special Educational Needs	15,531	(15,860)	(329)	39	-	-	(290)
Specialist Support	6,116	(1,754)	4,362	32	-	-	4,394
Strengthening Families	11,740	(1,123)	10,617	125	-	-	10,742
Youth Offending	1,919	(675)	1,244	20	-	-	1,264
Strategic Commissioning	3,815	(262)	3,553	-	-	-	3,553
<b>Total</b>	<b>245,836</b>	<b>(189,977)</b>	<b>55,859</b>	<b>442</b>	<b>-</b>	<b>-</b>	<b>56,301</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
- 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

- Under the remit of this panel the MTFS currently assumes that £1.0 million of Supporting Families Grant will continue to be used to support costs across the service.
- There is no specific budget growth which falls under the remit of this panel.

\*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

- Social Work workforce
- Demand management
- SEND
- Placement sufficiency for children and young people in care
- Education, skills and employability
- Cost of Living crisis

## 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>Children's and Education</b>						
Safeguarding Partnership Board	This reserve is to fund the Safeguarding Partnership Board expenditure in future years. This reserve is made up of contributions from our partners to support the running costs of the Safeguarding Partnership Board.	(191)	(191)	It is not currently anticipated that this reserve will be utilised in 2022-2023	Commitments have been made to all partner agencies that their contributions will be carried forward to fund improvements to the service in future years. If the reserve was not utilised in this way, then partners would need to receive their contributions back and the Council may have to absorb the pressure of any increased costs going forward.	-
<b>Children's and Education Total</b>		<b>(191)</b>	<b>(191)</b>			-

## 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 Children
  - Educational Provision
  - Financial wellbeing and Resilience
- Strategic Risk register is available at:  
<https://wolverhampton.moderngov.co.uk/documents/s224776/Appendix%203%20-%20Strategic%20Risk%20Register.pdf>

**wolverhampton.gov.uk**