

**Social Care and Health  
Overview and Scrutiny Committee**

**19 JANUARY 2023**

**Draft Revenue Budget and Draft Capital Programme 2023/24 – 2026/27**

**Ward(s)** All

**Portfolios:** Cllr K Pedley – Adult Social Care  
Cllr G Flint – Health and Wellbeing

**Executive Summary:**

The draft budget, as reported to Cabinet on 14 December 2022, includes the latest medium term financial outlook (MTFO) for the four-year period from 2023/24 to 2026/27. It also outlines the draft revenue budget for 2023/24 to 2026/27 (including savings proposals for consultation), the draft capital programme for 2023/24 to 2026/27, and sets out the process and timescale for setting a legally balanced budget for 2023/24.

Our MTFO has been updated for all known pressures, including best professional assumptions on the impact of increasing demand and the cost of living on service delivery and finances. The Council is legally obliged to set a one-year balanced budget (2023/24), however a medium-term approach is beneficial to allow for sound financial planning and to support future financial stability. This report presents a balanced budget for 2023/24, subject to changes arising from the settlement yet to be received. A number of savings proposals are also included for 2024/25 to 2026/27, with further options being identified to allow for a balanced budget over the period 2024/25 to 2026/27 aligned to the Council Plan and Proud activity.

The Autumn Statement was announced on 17 November 2022 and, whilst it has provided some further detail for 2023/24, the impact on our financial forecasts remains uncertain until we formally receive further policy documents, as referred to in the Statement, and our provisional core grant settlement which was received in late December 2022. Any changes in specific grant funding announced as part of this settlement will be allocated to services in keeping with the requirements of the funding. These changes will be included in the final budget report to Cabinet and Council in February 2023.

The 2023/24 draft budget assumes a 2.99% general council tax increase. This is in line with Government referendum limits announced in the Autumn Statement on 17 November 2022, with the option to increase by a further 2% for the Adult Social Care Precept, which Cabinet are currently not minded to do, but are consulting on.

The total draft capital programme for 2023/24 is £110.09m. It sets out new capital investment funded from the council's own resources of £66.86m (funded by capital receipts and borrowing) and externally funded schemes of £43.23m (funded by capital grants) and represents a balanced programme for 2023/24. In addition, the report sets out a further three years of indicative proposals to 2026/27. Despite reductions in capital funding in recent years and going forward, the draft capital programme contains significant investment into highways, education,

and housing to support vulnerable households through Health through Warmth and provision of aids and adaptations.

This report provides an extract of the Proud draft revenue savings proposals and investments/cost pressures for 2023/24 – 2026/27 by Proud Outcomes, which fall within the remit of the Social Care and Health Overview and Scrutiny Committee for consideration. It also provides a summary of the draft capital programme for schemes within the remit of this Committee.

Feedback from the Committee on the draft revenue and capital proposals will be reported back to Cabinet on 8 February 2023, to inform the final draft budget to be recommended to Council on 23 February 2023. Any changes to draft revenue and capital budget proposals as a result of equality impact assessments and consultation will also be fed into the final budget report.

### **Reason for scrutiny:**

To enable consultation of the draft revenue and capital budget proposals for services within the remit of this Committee.

### **Recommendations:**

#### **That:**

1. The Committee are recommended to consider the draft revenue budget proposals attached that relate to the remit of this committee as shown in **Appendices 1 and 2**, and that feedback will be presented to Cabinet on 8 February 2023.

### **Background papers:**

Various financial working papers.

### **Resource and legal considerations:**

Cabinet on 14 December 2022 were presented with a list of draft Proud revenue savings proposals for consultation and a list of investment/cost pressures by Proud outcome, along with a draft capital programme over the period 2023/24 to 2026/27.

The full Cabinet report can be accessed at the following link:

[Draft Revenue Budget and Capital Programme 2023/24 to 2026/27 - Cabinet 14 December 2022](#)

### **Maximising Outcomes through Budgeting 2023/24 onwards**

Our approach to budget setting was established for 2022/23 with overall financial savings expected to be delivered via Proud activity. For 2023/24 Proud work streams will continue to provide the 'enablers' to allow Directorates to deliver through Service Transformation Plans (STP's).

Directors and their Heads of Service were tasked with completion of new STP's linking their current and future service delivery with Council priority outcomes as per the Council Plan. This will allow for identification of potential transformation activity and associated savings for future

financial years. Those identified to date are outlined within this report, with the need for further review to close the financial gap from 2024/25 onwards.

The Council Plan direction of travel approach will set out how the budget will be aligned to deliver the desired outcome i.e., through different amounts of delivery, coordination, influencing, signposting or regulating. A review of the current delivery model will be undertaken alongside the direction of travel and re-prioritised where appropriate to maximise value for money and overall delivery of outcomes and ensuring the 2023/24 onwards budget is built and developed on this moving forward.

### Investment / cost pressures

Further to the changes in assumptions, the draft budget 2023/24 – 2026/27 includes provision for growth and investment of c£111m (£50.52m of this is in 2023/24). Those investments relating to the remit of this Committee are shown at **Appendix 1** and total £14.61m over 4 years.

### Savings proposals

The Proud service transformation plans have identified £9.02m of financial benefit for 2023/24, in addition to the £7.28m identified in the budget report to Council in February 2022. There is also £1.95m identified for 2024/25 (in addition to £1.15m already identified), £854k for 2025/26 and £844k for 2026/27. Benefits / savings are classified into two categories:

1. Policy Proposals - which require an Executive decision to proceed, and which will be referred for public consultation and equality impact assessment. These total £1.16m in 2023/24.
2. Operational Proposals – savings which officers have delegations to implement; examples include restructures, back-office savings, operational efficiencies. These total £15.14m in 2023/24 (£19.94m over the four years).

Some proposals require investment to support delivery which will only be allocated if the relevant saving proposal is included within Cabinet's final budget report in February, once consultation and equality impact assessment has concluded.

Savings proposals outlined in the report to Cabinet on 14 December 2022 will ensure a balanced budget for 2023/24. A gap of £13.85m remains in 2024/25, with a further £12.56m saving requirement for 2025/26 and £8.54m for 2026/27 (after the delivery of the £3.10m saving identified for 2024/25, £854k for 2025/26 and £844k for 2026/27). Directors continue to work on identifying additional options for Members consideration through the STP process, and a further report will be presented to Cabinet outlining further options to balance the budget for 2024/25 onwards. A work stream review of the STP's is taking place to ensure that they maximise opportunities from the Proud ways of working and capabilities, and therefore capture the full benefits; to ensure they capture innovative thinking; and to challenge any opportunities to accelerate identified savings.

Those savings proposals relating to the remit of this Committee are shown at **Appendix 2** and total £2.66m over 4 years.

## Net investment / savings

The following summarises the net investment /(savings) by Directorate for 2023/24.

<b>Net Investment/savings by Directorate 2023/24</b>	<b>Investment £m</b>	<b>Savings £m</b>	<b>Net £m</b>
Adult Social Care, Public Health and Hub	8.00	(2.25)	5.75
Children's Services	13.41	(2.68)	10.73
Children's - Customer Engagement	0.45	(0.88)	(0.44)
Economy, Environment and Communities	1.53	(3.43)	(1.90)
Resources and Transformation	2.21	(1.68)	0.53
Central / Capital Financing*	24.92	(5.37)	19.56
<b>Total Net Investments by Directorate</b>	<b>50.52</b>	<b>(16.30)</b>	<b>34.23</b>

\*Central investment includes £12.5m of pay and pension costs which will be allocated to services following a detailed review of salary budget requirements, and £6.92m Social Care Grant which will be allocated to support both Adults and Children's Social Care when the allocations are confirmed. Central savings include £4.47m for Customer Access Management which will be allocated to services once plan finalised.

Therefore, when central investments are taken into account, all Directorates will see a net increase in budgets.

## Draft Capital Programme

The draft capital programme for 2023/24 is balanced and totals £110.09m. It sets out new capital investment funded from the council's own resources of £66.86m (funded by capital receipts and borrowing) and externally funded schemes of £43.23m (funded by capital grants). In addition, the report sets out a further three years of indicative proposals to 2026/27.

There are no capital schemes relating to the remit of this committee.

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## APPENDIX 1

### Summary of New Growth and Investment 2023/24 to 2026/27 aligned to Proud Outcomes relating to the remit of this Committee

Directorate	Ref No	Details of Growth by outcome	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>People are supported to maintain or improve their health, wellbeing and quality of life</b>						
Adult Social Care, Public Health & Hub	9	Social Care increase in demand pressures	1,834,118	371,862	371,862	371,862
	10	Contract price uplift	1,675,785	523,855	534,332	545,018
	11	Better Care Funding iBCF2 fall out of grant funding in 2025/26	0	0	2,023,652	0
	12	Direct Payments - to cover reduction in refund income	153,000	0	0	0
	13	Adult Social Care contractual inflation based on RPXI - Housing 21	1,125,768	(293,450)	245,506	251,644
	14	A preparing for adulthood service - capacity to support statutory functions across 14/18-25 year olds and meet the transition needs of all young people	256,126	0	0	0
	15	Hospital discharge - fully funded from grant	2,385,000	1,670,000	0	0
<b>Total People are supported to maintain or improve their health, wellbeing and quality of life</b>			<b>7,429,797</b>	<b>2,272,267</b>	<b>3,175,352</b>	<b>1,168,524</b>
<b>The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b>						
Adult Social Care, Public Health & Hub	19	Additional capacity - Hub linked to HUBS work stream activity	566,000	0	0	0
<b>Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b>			<b>566,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Growth and investment relating to the remit of this Committee</b>			<b>7,995,797</b>	<b>2,272,267</b>	<b>3,175,352</b>	<b>1,168,524</b>

## APPENDIX 2

### Benefits Realisation (Savings) for Proud activity by Outcome 2023/24 to 2026/27 relating to the remit of this Committee

#### A: Summary of Policy Proposals by Outcome 2023/24 – 2026/27

None relating to the remit of this Committee

#### B: Summary of Operational Proposals by Outcome 2023/24 – 2026/27

Directorate	Ref No	Detail of Operational Proposals by Outcome	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Total £
<b>People are supported to maintain or improve their health, wellbeing and quality of life</b>							
Adult Social Care, Public Health & Hubs	OP10	Demand - Develop and deliver additional support to Carers	(240,934)	(270,241)	0	0	(511,175)
	OP11	Shared lives - foster care provision	(116,277)	(142,812)	0	0	(259,089)
	OP12	Public health grant utilisation	(204,678)	0	0	0	(204,678)
	OP13	Additional income from joint funding arrangements including, Learning disability tool, Section 117 and CHC	(954,000)	0	0	0	(954,000)
	OP14	Full year effect of extension of existing client reviews and reduction in costs of new client packages	(674,841)	0	0	0	(674,841)
	OP15	Income generation review of grants - Section 75 grant	(59,780)	0	0	0	(59,780)
<b>Total People are supported to maintain or improve their health, wellbeing &amp; quality of life</b>			<b>(2,250,510)</b>	<b>(413,053)</b>	<b>0</b>	<b>0</b>	<b>(2,663,563)</b>
<b>Total Operational Proposals relating to the remit of this Committee</b>			<b>(2,250,510)</b>	<b>(413,053)</b>	<b>0</b>	<b>0</b>	<b>(2,663,563)</b>

Total Savings Proposals	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Total £
A - Policy Proposals	0	0	0	0	0
B - Operational Proposals	(2,250,510)	(413,053)	0	0	(2,663,563)
<b>Total Savings Proposals relating to the remit of this Committee</b>	<b>(2,250,510)</b>	<b>(413,053)</b>	<b>0</b>	<b>0</b>	<b>(2,663,563)</b>