

CORPORATE OVERVIEW AND SCRUTINY PANEL

Monday 25 March 2024

Present: Councillors Chris Moriarty (Chair), Mark Howard (Vice-Chair), David Buckley, Maureen Hunt, Helen Price, Gary Reeves, Julian Sharpe, Julian Tisi and Mark Wilson

Also in attendance virtually: Councillor Lynne Jones

Officers: Mark Beeley, Stephen Evans and Becky Hatch

Officers in attendance virtually: Elizabeth Griffiths and Clare Walsh and Radhika Thirunarayana-Govindarajan

2023/24 Month 10 Budget Monitoring Report

John Baldwin had registered as a public speaker and addressed the Panel for three minutes.

Councillor Hunt said that she had watched back the meeting where the Executive Director of Adult Services, Health and Communities explained that there would be a significant increase in costs by the adult social care providers, of over 15%. This was more than was in the budget and left a big gap, which was a concern.

Councillor Wilson noted the points made by Mr Baldwin but pointed out that officers could not be criticised on every specific word used during a live public meeting.

Elizabeth Griffiths explained that any contractual increases which were known had been factored into the budget and any which were yet to be negotiated were an informed estimated. Each contract was considered separately and each increase was negotiated separately too. The comments made by the Executive Director of Adult Services, Health and Communities were designed to show the pressure the council was coming under from providers from increased market prices. There was a big difference between the budget monitoring reports for the 2023/24 budget and the budget which had been set for the next financial year 2024/25. Growth had been added to the budget for next year to cover some of these additional costs from adult social care providers. The budget set for next year had the support of the Executive Director of Adult Services, Health and Communities.

Stephen Evans added that the adult social care budget was increasing by over £5 million which reflected that the current budget was not adequate in this area. The council did not just accept the higher fees offered by providers, these were negotiated downwards.

Councillor Hunt argued that in 2023/24 there had been an increase of 7% but in 2024/25 the increase was 5% and expressed concern that the budget was not balanced. The forecast overspend was significant and she felt that Cabinet needed to consider this issue urgently.

Elizabeth Griffiths reminded the Panel that the council was currently still in the 2023/24 financial year and so the budget monitoring report was based off of last year's budget. It was a contract uplift rather than a budget uplift.

Councillor Hunt asked for assurance that the estimate which had been included for 2024/25 would be adequate and would not see the council overspend.

Elizabeth Griffiths said that it was a demand led service and was the best estimate for the year ahead. The council had re-baselined to cover all of the people who were currently in the adult social care system.

Councillor Wilson asked if there had been any events which had taken place since the budget was approved which could jeopardise the assumptions which had been made.

Elizabeth Griffiths responded by saying that there had been nothing specific but it was a constantly changing environment.

Councillor J Tisi commented that there was always uncertainty on the budget, outturn could not be guaranteed. The 2023/24 budget had underbudgeted the cost of adult social care but this should not be confused with the new financial year which was about to start. A 'bottom up' budget was an appropriate way of estimating, while the rate of inflation had come down. Councillor J Tisi felt that a lot was being made of some individual words said at previous meeting which had been taken out of context.

Councillor Reeves made the point that the Panel was considering the budget monitoring report from the previous month, scrutiny had already been undertaken on the 2024/25 budget. The Panel could check that assumptions had been estimated correctly over the coming months. It had been acknowledged that the baseline figure had been recalculated and things were being put in place to mitigate the issue. Councillor Reeves was interested to understand how many of the requests for increased costs from providers were being accepted.

Elizabeth Griffiths did not have the detail on this, it came under the remit of the commissioning team at Optalis, she was not currently aware of any fluctuations.

Councillor Reeves asked for information on if adult service providers had increased their costs to the council so that this could be closely monitored. He suggested that this could be added into the next budget monitoring report which was considered by the Panel.

Elizabeth Griffiths said that the team needed to be careful around publicly reporting contractual negotiations with care providers. These could be flagged as part of any variances to the forecasts.

Councillor Sharpe asked if there had been an increase in parking revenue following the increase in parking charges earlier in the year.

Elizabeth Griffiths confirmed that there had been an increase in parking revenue and the council were encouraging usage but there had been low numbers of people using car parks.

Councillor Sharpe asked if the increased charges had resulted in higher revenue.

It was confirmed that there had not been drop in the number of users of car parks across the borough.

Councillor Price reminded the Panel that the budget monitoring report highlighted the council's financial position up until the end of January. The increased car parking fees had not been introduced until February so would not be show as an impact in the report which the Panel was considering. Councillor Price noted on the in depth forecasting, another pressure was revealed and she asked what prompted this to have been revealed. Planning income was down due to a lack of development but this could free up capacity for pre-planning advice to be given and could be an income opportunity to be explored. Under risks, a new system for temporary accommodation had been implemented but this had not been a success and Councillor Price asked what lessons had been learned.

Elizabeth Griffiths responded that the forecasting pressure was from Achieving for Children when calculating how much would be needed for agency staff. For the questions on the

opportunities in planning and the temporary accommodation lessons learned, these would need to be referred to the Executive Director of Place.

ACTION – The Executive Director of Place to provide a response on the questions around income opportunities in pre-application planning advice and the lessons learned from the new temporary accommodation scheme.

The Chair had noted the approximately £1 million movement in a month, he asked how confident the Executive Director of Resources was about the next few months.

Elizabeth Griffiths said it was difficult to say as there were no trends. Movements and demand led services meant that things changed quickly and varied greatly each month. The team were reconciling the balance sheet, which was something which had not been done in a while. Each day progress was made in controlling the finances at the council.

Councillor Hunt explained that she wanted to put a recommendation forward to Cabinet that urgent consideration was needed on the high costs being charged by adult social care providers. She felt that Cabinet needed to be made aware.

Councillor Reeves did not understand why the Panel would put forward a recommendation on the 2024/25 budget when it was considering the budget monitoring report from January. He had highlighted earlier in the discussion that these increased costs should be highlighted to the Panel as and when they were able to be reported.

Councillor Howard said that his concern was making sure that officers were still confident on the assumptions and estimations which had been made on the 2024/25 budget when it was approved.

Councillor Wilson felt that the responses given by the Executive Director of Resources showed that there was an understanding that the budget was based on estimations and little had changed. Cabinet would be aware of the issue already and he did not feel that it was necessary to make a recommendation.

Councillor Buckley suggested that the recommendation should be changed to 2023/24, he agreed with the comments made by other Panel Members.

Councillor Price believed that officers and the Cabinet were aware of the risks already.

Councillor Hunt was concerned that the outcomes of the 2023/24 budget could be seen. An increase in the adult social care budget had been agreed at 5%.

Elizabeth Griffiths clarified that the increase was on a contract by contract basis, it was not a blanket 5% uplift.