

CITY OF  
WOLVERHAMPTON  
COUNCIL

# Stronger City Economy Scrutiny Panel

20 November 2018

**Time** 6.00 pm **Public Meeting?** YES **Type of meeting** Scrutiny

**Venue** Committee Room 3 - Civic Centre

## Membership

**Chair** Cllr Jacqueline Sweetman (Lab)

**Vice-chair** Cllr Jonathan Yardley (Con)

### Labour

Cllr Ian Angus  
Cllr Harman Banger  
Cllr Philip Bateman MBE  
Cllr Payal Bedi-Chadha  
Cllr Alan Butt  
Cllr Craig Collingswood  
Cllr Claire Darke  
Cllr Barbara McGarrity  
Cllr Mak Singh

### Conservative

Cllr Christopher Haynes

Quorum for this meeting is three Councillors.

## Information for the Public

If you have any queries about this meeting, please contact the Democratic Services team:

**Contact** Martin Stevens

**Tel/Email** martin.stevens@wolverhampton.gov.uk

**Address** Democratic Services, Civic Centre, 1<sup>st</sup> floor, St Peter's Square,  
Wolverhampton WV1 1RL

Copies of other agendas and reports are available from:

**Website** <http://wolverhampton.moderngov.co.uk/>

**Email** [democratic.services@wolverhampton.gov.uk](mailto:democratic.services@wolverhampton.gov.uk)

**Tel** 01902 555046

Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

*If you are reading these papers on an electronic device you have saved the Council £11.33 and helped reduce the Council's carbon footprint.*

# Agenda

## Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i>  |
|-----------------|---|
| 1               | <b>Apologies</b><br>[To receive any apologies for absence].   |
| 2               | <b>Declarations of interest</b><br>[Members are reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate]. |
| 3               | <b>Minutes of previous meeting</b> (Pages 3 - 10)<br>[To approve the minutes of the previous meeting].  |
| 4               | <b>Matters arising</b><br>[To consider any matters arising from the minutes of the previous meeting].   |

### DISCUSSION ITEMS

- |   |   |
|---|---|
| 5 | <b>Draft Budget and Medium Term Financial Strategy 2019-2020</b> (Pages 11 - 32)<br>[To receive the Draft Budget and Medium Term Financial Strategy 2019-2020].       |
| 6 | <b>Portfolio Holder for City Economy Statement / Question and Answers Session</b><br>[Portfolio Holder for City Economy Statement and Questions and Answers Session]. |
| 7 | <b>Scrutiny Work Programme</b> (Pages 33 - 48)<br>[To receive the Scrutiny Work Programme].   |

# Stronger City Economy Scrutiny Panel

Agenda Item No: 3

Minutes - 18 September 2018

## Attendance

### Members of the Stronger City Economy Scrutiny Panel

Cllr Ian Angus  
Cllr Philip Bateman MBE  
Cllr Alan Butt  
Cllr Craig Collingswood  
Cllr Claire Darke  
Cllr Barbara McGarrity  
Cllr Jacqueline Sweetman (Chair)  
Cllr Jonathan Yardley (Vice-Chair)

### In Attendance

Cllr Lynn Moran (Portfolio Holder)  
Cllr Peter O'Neill  
Cllr Sue Roberts MBE

### Employees

Martin Stevens (Scrutiny Officer) (Minutes)  
Meredith Teasdale (Director of Education)  
Angela McKeever (Head of Skills and Education)  
Paula Warrilow (Strategic Organisational Development and Apprenticeships Lead)  
Charlotte Johns (Head of Local Economy)  
Heather Clarke (Service Development Manager)  
Isobel Woods (Head of Enterprise)  
Andrew Scragg (Participation Officer)

### Witnesses

Richard Macvicar (City Wide Area Manager – Environmental Services)  
Casey Gavin (Work Experience)  
Jack Strickland (Clerical Assistant)  
Anna Tabner (Chair of Youth Council)  
Amanpreet Thamrat (Digital Apprentice)  
Shay Malcolm (Chef Apprentice at Nutmeg)  
Alisha Kainth (Revenue and Benefits Apprentice)

## Part 1 – items open to the press and public

*Item No.*      *Title*

**1      Apologies**

Apologies for absence were received from Cllr Payal Bedi-Chadha and Cllr Christopher Haynes.

The Chair had also invited Members of the Confident, Capable Council Scrutiny Panel to the meeting. Apologies had been received from Cllr Paula Brookfield, Cllr Ian Brookfield and Cllr Jane Stevenson.

Cllr Bhupinder Gakhal the Chair of the initial Scrutiny Review on apprenticeships sent his apologies. Cllr Michael Hardacre sent his apologies as a member of the initial Scrutiny Review on apprenticeships.

Cllr John Reynolds sent his apologies as a Portfolio Holder, for which part of the Committee's remit fell within.

**2      Declarations of interest**

There were no declarations of interest.

**3      Minutes of previous meeting**

**Resolved:** That the minutes of the meeting held on 26 June 2018 be approved as a correct record.

**4      Matters arising**

The Chair referred to the resolution at the previous meeting regarding the action group approach to proactively respond to the repurposing of the City Centre. The action group had recently been renamed, the City Centre Commission. She asked for an update on the Commission and when it would begin work. In response, the Head of Enterprise stated that Bill Grimsey had conducted a review on the challenges City centres were facing. The Council in order to align themselves with the national trends coming from the Bill Grimsey review, had renamed the task force/action group a City Centre Commission. Bill Grimsey had visited the City on the previous Monday, where Officers had discussed the City and asked for his advice and guidance on the future. Work was still ongoing on the City Commission. The Chair asked for a briefing note on the City Commission when the details were more established. She asked Members of the Scrutiny Panel to contact her with any ideas for the City Commission, as she wanted the Panel to have an input into its terms of reference.

**5      Annual Review of previous Scrutiny Municipal year**

**Resolved:** That the report on the annual review of the previous municipal year of the Stronger City Economy Scrutiny Panel be approved.

**6      Scrutiny Review of Apprenticeships Update**

The Chair gave a warm welcome to the apprentices and other witnesses in attendance at the meeting. She referred to the apprentices as the beginning of a blue print of excellence for the City. If the Council could ensure their own

apprenticeships were being managed correctly then this would lead the way for other organisations. The Chair stated she was keen to understand where the apprentices felt the system could be improved.

The Director for Education stated that a Scrutiny Review on apprenticeships had been undertaken in January 2017. The team led by the Head of Skills and Education had worked hard over the last year to put into action the recommendations arising from the review. She was pleased to report that a Strategic Organisational Development Lead and Apprenticeship Lead had been recently appointed to the authority to help support the work.

The Head of Skills and Education commented that the recommendations from the Scrutiny review had been turned into an action plan. One of the first priorities was for the Council to become an exemplar employer of apprentices. The credibility of the Council throughout the City would be boosted if the Council could lead the way. Work experience was also an important issue, including its accessibility, usefulness and access to the apprenticeship positions. The second priority was regarding marketing and information. They had known from speaking to young people that there was a lack of information available about apprenticeships, particularly as they were undergoing tremendous changes. As a consequence, there was a big campaign which undertook to improve information. The Council's website, WorkBox, was one of the main resources used to enhance the communications and information on apprenticeships.

The Head of Skills and Education stated there was now a School's Strategy in place to improve their access to apprenticeships. The Council were also looking to improve the availability of apprenticeships to vulnerable young people, particularly those with SEND (Special Educational Needs and Disability). It was important to ensure the Council's processes were accessible, that there was additional support in place and that apprenticeship opportunities were available to vulnerable people. The Council's apprenticeship position was still a challenge, with Wolverhampton scoring the lowest in the Black Country. The Council had however started on a significant improvement journey, which was already having an impact.

The Strategic Organisational Development and Apprenticeships Lead stated she had focused on certain areas at the commencement of her employment with the Council. She had been told the recruitment process was too lengthy and was not attracting people. The Council had developed a plan to introduce a new recruitment process. They had also increased the number of apprenticeship starts, which had increased to 89 from 45 in the previous year. She believed there would be a rapid improvement when the new recruitment process was in place. She had increased the number of apprenticeship standards which the Council could use. These had increased from four to 106.

The Strategic Organisational Development and Apprenticeships Lead remarked that the ten week Summer Programme had been launched on WorkBox. The apprenticeship pages on WorkBox had undergone significant development. She had been working with Human Resources and the LGA on calculating an appropriate amount of pay for different apprenticeships. The new pay deal for apprenticeships was a step forward. The £150 a week had not been an attractive pay offer for care leavers or older people, as they could not live independently on that pay. The Council were looking at apprenticeships for all ages and not just younger people.

They also wanted to utilise apprenticeship standards to upskill current staff. There were 45 currently on different standards.

Casey Gavin who was a Wolverhampton care leaver and had been on work experience at the Council gave an account to the Panel of her experience. She had been based in the Council's Organisational Development Team for nearly two months. She obtained the work experience placement through the Council's Corporate Parenting Officer, Alice Vickers. Prior to the work experience placement, she delivered Total Respect Training to a range of social care professionals including foster carers, social workers, prison officers and the front line Police force. She was also a member of the Young People's Panel who assisted in the recruitment of professionals working in the looked after children's sector.

Casey stated she had been overwhelmed with the amount of support she had received from the Organisational Development Team. It had been a very valuable experience and had helped prepare her in her next step to study psychology at University. She had been given a diverse range of duties during her work experience placement. She had undertaken a complete data cleanse of the Council's Learning Hub and was now working on the redevelopment of the Hub, which included the creation of new learning modules. She had also assisted her colleagues in the running of the Corporate Induction Programme, the Future Leaders Programme and the transfer of the Waste Service back to the Council.

Casey commented that her biggest achievement during the placement had been to raise the profile of Corporate Parenting. With the support of the Director of Governance, she had been able to ensure that the whole of the Governance Directorate had a 100% completion rate on the Council's Corporate Parenting mandatory training module. She felt very lucky to have been given such a good placement. She thought that work experience placements should be promoted more within schools, so they were aware of the opportunities. Whilst at University she hoped to stay with the Organisational Development Team for one to two days per week.

Amanpreet Thamrat gave an account of his experience so far as a Digital Apprentice at the Council. He had decided in Year 10 not to go to University. He stayed on at Sixth Form and completed two years of A-Levels. He felt he was more of a hands on person and so an Apprenticeship was more suitable for him than University. In his last year of Sixth form a friend of his Mother's had told him about the apprenticeship opportunity at the Council. He had not been aware that the Council offered an apprenticeship in the area of digital design before his Mother had told him. He was currently on a level two apprenticeship but next year he would be on level 3, after his contract had been extended for a further twelve months.

Amanpreet commented that there had been a long wait after applying for the apprenticeship before he received confirmation that he had been successful. He understood part of the reason for this was the application deadline had been extended, due to the lack of applicants. He had in fact started working elsewhere believing he had been unsuccessful. Luckily he had only been there 8 weeks on a pre-apprenticeship course and they were understanding about his situation. He had initially thought that he had not been successful in his apprenticeship application due to the long wait. He highlighted this was an area which could be improved in the future. Another area which he had difficulty was the length of time his school had

taken to give him a reference, this was in spite of him and the Council's HR Department chasing them.

Amanpreet was very complimentary about the opportunities the apprenticeship had given him and the variety of work he undertook at the Council. The Panel watched a video which had been produced about his experiences. He had creative freedom over his work and spent sometime out of the Office working on projects, including at schools. Some of the work he undertook included designing websites and new branding.

Alisha Kainth (Revenue and Benefits Apprentice) gave an account of her experience as a Revenue and Benefits Apprentice. She worked in the area of recovery and had been working at the Council since January 2017. Her contract had been extended and she had now completed a Customer Services Level 2 NVQ. She had been involved in the Apprenticeship Workshops since March 2018. She was most grateful for the opportunity the apprenticeship had given her. She enjoyed the apprenticeship because she was able to learn on the job, gain experience and undertake training. Her next step was to complete a Level 3 apprenticeship. She was able to attend College one day a week to study. She commented that the process for application for the apprenticeship had been a lengthy one. She thought the help and support for the application process could be improved.

Shay Malcolm (Chef Apprentice at Nutmeg) gave an account of her experience as a Chef Apprentice at Nutmeg. She had been an apprentice since June 2017. As a care leaver she had been given a lot of support in applying for apprenticeships. She had decided not to attend College. She had been finding it difficult to gain employment due to her lack of work experience. She spoke positively about the apprenticeship, which had given her a chance to learn new skills and entry to the workplace. The Panel watched a video which had been produced about her experiences. The apprenticeship had led to a great sense of accomplishment and had improved her confidence. She attended College one day a week as part of her apprenticeship.

Shay stated an area where apprenticeships could be improved was the wages, as she got paid less than the minimum wage. She had just enough to live independently. The Cabinet Member stated that it was important for the Council to use spheres of influence to try and improve the wages of external apprenticeships. The Director for Education stated that the Council had raised the issue of wages at a meeting of the Inclusive Growth Board. The Business Skills Week the following week had a dinner which was focusing on apprenticeships and in particular small and medium enterprise apprenticeships. The aim was to try and encourage the employment of apprentices and in addition to have discussions about what was deemed a fair wage. Shay remarked another area where she felt there could be improvement in apprenticeships was the working hours. It had been a big step from not working at all to having to work long hours 5-7 days a week. The Director of Education responded that supporting people into work was another subject which the Council were hoping to have as part of Business week.

Jack Strickland (Clerical Assistant) gave an account of his time as an apprentice at the Council. He highlighted that his initial apprenticeship at the Council had led to him being taken on at the Council as a full-time Clerical Assistant in the Place Directorate on completion of his apprenticeship. He had started his apprenticeship at

the Council in 2016 after deciding he did not wish to finish his courses at Sixth Form College. He did not hear that he had been successful in his application for an apprenticeship at the Council until 2-3 months after he had applied. It had taken some time for him to have a permanent line manager when he started as an apprentice, as his initial Manager left the Council in his first week. His eventual manager though had been very supportive. He had successfully completed an internal Project Management qualification during his time as an apprentice. He had also completed a one-day residential course about minute taking at meetings.

Jack said that in March 2017 he finished his qualification and achieved a Level 2 NVQ. He was accepted for a full-time position as a Clerical Assistant. The apprenticeship had improved his confidence. He had not found College that supportive, it had been mainly self-learning. He now worked with senior officers on a variety of different projects which had included the successful City Parade and Celebration of Wolves Football Club following their promotion to the Premier League. The Apprenticeship had been a wonderful opportunity for him to start his career in the workplace and had fitted perfectly with what he needed at that point in his life. He would be giving a speech as part of Business Week about his time as an apprentice. He asked if the excellent work Wolverhampton was doing on apprenticeships could be showcased to make Wolverhampton more attractive as a City, following recent negative headlines in the media about the City.

A Councillor commented that a common trend having heard from the apprentices was the delays in the application process and schools being too slow to give references. Members agreed that communications were a key area for improvement. The Strategic Organisational Development and Apprenticeship Lead agreed that there was a need to speed up the recruitment process and to streamlined the application process. They had created a more streamline process and were working with HR to expedite future applications. She did not want big delays in the future and to try and avoid this she wanted fixed dates for short-listing and the assessment centre, in advance of going out to advert.

A Councillor stated that one of the barriers to obtaining an apprenticeship position was the need for a qualification in English and Maths. He asked if the Council were taking steps to help overcome the problems people faced if they lacked the entry qualifications. The Strategic Organisational Development and Apprenticeship Lead responded that there were various ways to help. One of these was to complete the qualifications as part of the apprenticeship or to support them to do the courses beforehand. They were also looking at individual development plans for people after conversations with the Adult Education Service. The Cabinet Member praised Officers for their work in this area and stressed the importance of contextualised learning.

Richard Macvicar (City Wide Area Manager – Environmental Services) spoke about his time as a Manager working with Apprentices. He spoke positively of the Apprenticeship scheme, which had led to a greater diversity of people working at the Council. He did believe the application process needed improving, he was aware of some candidates who had waited four months. He was aware of recent steps to help streamline the process. Obtaining approval for funding could also take several months before the recruitment process had even begun.

Richard commented that the Council over the last five years had put through dozens of people in NVQ Level 2 in Horticulture and NVQ Level 2 in Street Cleansing. There were 24 people starting the qualifications in the following week. The course involved attending college one day every two weeks. He managed an aging workforce which meant it was sometimes hard to encourage individuals to complete the course. The College did offer resources to help people with their English and Maths if required. The Council also offered a number of internal courses in areas such as first aid and manually handling.

The Head of Skills and Education stated that promotion was a key aspect to the apprenticeship programme. The pages on WorkBox had undergone significant improvement over the last three months. There were about 700 hits a day on the website. The Summer Programme had been a key part of the promotion activities. There had also been some videos made with Council Directors. The Council had organised the Big Skills and Apprenticeship Show in partnership with the Colleges. It was however not enough to just run events, there had to be ongoing communication activity.

The Strategic Organisational Development and Apprenticeships Lead remarked that when the Council was looking at how to engage with schools, they focused on two different areas. The first was how the Council could support schools to be an employer of apprentices. The second was how they could support schools to give the right information and guidance to young people on apprenticeships and to promote them more effectively. She would be meeting schools individually to promote the apprenticeships schemes.

A Member of the Panel asked if there was any resistance from the Academy Schools to the apprenticeship schemes. The Director of Education responded that there was no specific problem with academies. It was more about leadership and governance in each individual school, whether it be an academy or state school. She added it was important for schools to understand the importance of the individual and how an apprenticeship might be the best direction for that person. A crucial element for the Council was how they could best support the schools in their leadership and governance responsibilities.

The Chair asked if the Council looked at examples of best practice in apprenticeship schemes at other local authorities. The Director of Education confirmed that they did investigate what other authorities were doing, but she was of the view that Wolverhampton did very well.

The Chair commented that she understood a car manufacturer had turned down apprentices from Wolverhampton, not because of their reading and writing skills, but because of their lack of team working abilities. It was important schools taught the importance of team working and team working skills. The Director of Education suggested that a visit to Highfields School would demonstrate some of the excellent work undertaken in this area.

A Member of the Panel commented that there was not enough career advice given to young people including those leaving University. The Director of Education responded that there was work ongoing in teams at Impact, Wolves at Work and WorkBox, which all offered career advice. The Member commented that career advice within the schools needed to be improved.

The Cabinet Member stated it was important to prepare young people for the workplace. This included social skills in the workplace and the use of appropriate communication. The Chair remarked that a key project in the future was to assess how the Council monitored the work that was taking place across the City and organisations to prepare young people for the workplace.

The Head of Education and Skills highlighted some examples of the work taking place in schools to improve employability. The Council was very effective at working in a joined-up way with businesses and the education sector. The Council's access to businesses had been a real help in improving employability.

The Head of Education and Skills highlighted that a key part of the Council's work was to ensure that Apprenticeships were inclusive for everybody including vulnerable people. The Strategic Organisational Development and Apprenticeships Lead commented that she did not want vulnerable people to feel segregated. She wanted to be able to showcase the extra support that could be available as part of an apprenticeship offer. The package included giving managers the information they needed to support an individual undertaking an apprenticeship. The new recruitment process would speed up the process and negate the need to fill in long forms, permitting the uploading of a Curriculum Vitae (CV). The majority of young people had already completed a CV as part of their development programme. The Council were also looking at pre-apprenticeship support which would be dependent on the needs of the individual and enhanced work experience. She added there would also be opportunity for job coaches where appropriate. The pay scales had been improved which meant apprenticeships were a more feasible option for some people.

The Chair and Members of the Panel complemented Officers on their commitment and tremendous work that was being undertaken in apprenticeships. The Chair stated said she would be writing to each of the witnesses to thank them on behalf of the Panel for their attendance and contribution at the meeting. She requested that the work on apprenticeships be effectively monitored and that the Panel receive an update review report in 12 months' time. She also asked for a Headteacher to attend the review meeting so the Panel could receive a different type of witness evidence.

**Resolved:**

- a) That the Stronger City Economy Scrutiny Panel receive an update review report on apprenticeships in twelve months' time.
- b) That a Headteacher be invited to the meeting in twelve months' time, so that the Panel can receive witness evidence from a further perspective on the subject of apprenticeships.

The meeting closed at 8:20pm.

7

**Scrutiny Work Programme**

**Resolved:** That the workplan for the Stronger City Economy Scrutiny Panel be accepted.



## Stronger City Economy Scrutiny Panel

20 November 2018

<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2019-2020	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor John Reynolds City Economy	
<b>Corporate Plan priority</b>	Confident Capable Council	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable Director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon Tel Email	Chief Accountant 01902 554561 Alison.Shannon@wolverhampton.gov.uk

**Report to be/has been  
considered by**

### Recommendations for decision:

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on Draft Budget and Medium Term Financial Strategy 2019-2020.
2. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the scrutiny process on the budget.
3. 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 and Medium Term Financial Strategy 2019-2020 that was presented to Cabinet on 17 October 2018. In addition to this, the Panel's feedback is sought on the approach to budget consultation and feedback on the scrutiny process.

## **2.0 Background**

- 2.1 In March 2018, the 2018-2019 Budget and Medium Term Financial Strategy (MTFS) 2018-2019 to 2019-2020 was presented to Full Council for approval. The Council was able to set a balanced budget for 2018-2019 without the use of General Fund reserves. However, it was projected that the Council would be faced with finding further estimated budget reductions totalling £19.5 million by 2019-2020.
- 2.2 An update on the high-level strategy to address the projected budget challenge of £19.5 million for 2019-2020 was presented to Cabinet on 11 July 2018. At that point, various opportunities including: one-off funding streams, council tax income, the realisation of benefits from existing strategies and directorate budget reduction targets resulted in the identification of £16.2 million towards the projected budget deficit. Cabinet approved the incorporation of the high-level strategy into the Draft Budget and Medium Term Financial Strategy 2019-2020. Taking this into account, the remaining budget challenge to be identified for 2019-2020 stood at £3.3 million.
- 2.3 Cabinet were provided with a further update in October 2018 which detailed the progress in identifying additional budget efficiencies, budget reduction and income generation opportunities towards directorate budget reduction targets that were incorporated into the high-level strategy. After taking into account progress against directorate budget reduction targets and emerging pressures, the Council projected that the remaining budget deficit for 2019-2020 was in the region of £6.0 million.
- 2.4 Over the medium term, the Council's resources will continue to be aligned to enable the realisation of the Council's core objectives. However, the high-level budget strategy for 2019-2020 will remain focused on achieving continuous improvement whilst delivering further efficiencies. The strategy will include: exploring alternative business models, a targeted approach to service provision and a risk based approach to budget allocations. The strategy is also to continue to support the independence of individuals and communities, maximising external income, identifying opportunities for further commercialisation and reviewing demand management, which has proved to be an effective approach to identifying deliverable budget reductions.
- 2.5 The Draft Budget and Medium Term Financial Strategy 2019-2020, attached at Appendix 1, 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 11 December 2018, which will consolidate that feedback in a formal response to Cabinet on 23 January 2019. 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 2019, for approval by Full Council in March 2019.

### **3.0 Scrutiny Process**

- 3.1 Recognising the scale of the budget challenge faced by the Council, it is acknowledged that certain processes need to be refreshed in order to ensure a long-term approach to medium term financial planning and the pace of delivery of proposals.
- 3.2 The Panel's view is therefore sought to identify the most appropriate, transparent and informative form of scrutiny of the budget setting process.

### **4.0 Panel Recommendations**

- 4.1 The Panel are recommended to provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on:
- the Draft Budget and Medium Term Financial Strategy 2019-2020;
  - the Scrutiny budget process;
  - any other comments.
- 4.2 The Panel are also recommended to approve that the Scrutiny Panel response be finalised by the Chair and the Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

### **5.0 Financial implications**

- 5.1 The financial implications are discussed in the body of the report, and in the report to Cabinet.

[MH/06112018/G]

### **6.0 Legal implications**

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

[TS/06112018/Q]

### **7.0 Equalities implications**

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

## **8.0 Environmental implications**

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

## **9.0 Human resources implications**

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

## **10.0 Corporate landlord implications**

10.1 The Corporate Landlord implications are discussed in the report to Cabinet.

## **11.0 Schedule of background papers**

Draft Budget and Medium Term Financial Strategy 2019-2020, report to Cabinet, 17 October 2018.

Draft Budget and Medium Term Financial Strategy 2019-2020, report to Cabinet, 11 July 2018.

2018-2019 Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020, report to Full Council, 7 March 2018

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>17 October 2018</b>
--	--

<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2019-2020	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Alison Shannon Tel Email	Chief Accountant 01902 554561 <a href="mailto:alison.shannon@wolverhampton.gov.uk">alison.shannon@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Strategic Executive Board	9 October 2018

---

### Recommendations for decision:

That Cabinet is recommended to approve:

1. That Budget Reduction and Income Generation proposals amounting to £695,000 in 2019-2020 proceed to the formal consultation and scrutiny stages of the budget process.
2. That Financial Transactions and Base Budget Revisions totalling a net reduction of £4.7 million in 2019-2020 be incorporated into the 2019-2020 draft budget.
3. That authority be delegated to the responsible Director and the Director of Finance to implement Financial Transactions and Base Budget Revisions at the earliest opportunity where the proposal is not reliant on the outcome of formal budget consultation.
4. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the final budget consultation arrangements.

5. That further options are explored between October 2018 and January 2019 to address the updated projected budget deficit of in the region of £6.0 million for 2019-2020 based on the Council's high-level strategy.

**Recommendations for noting:**

That Cabinet is asked to note:

1. That due to the uncertainty and increasing pressures over the medium term, the overall level of risk associated with the Draft Budget and Medium Term Financial Strategy (MTFS) 2018-2019 to 2019-2020 is assessed as Red for the first time since February 2016.
2. That the updated projected deficit assumes the achievement of budget reduction and income generation proposals amounting to £28.3 million over the two-year period from 2018-2019 to 2019-2020. Over the eight financial years the Council has identified budget reductions in excess of £220.0 million. This continues to be the most significant financial challenge that the Council has ever faced.
3. That the successful recovery of overpaid VAT has been granted at £1.8 million, approximately £200,000 lower than anticipated in the July 2018 report to Cabinet.
4. That due to external factors, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.
5. That there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities particularly with regarding 2020-2021 onwards. The Comprehensive Spending Review 2020, the Fair Funding Review and potential pressures arising as a result of new responsibilities will impact upon the Council's budget. At the point that further information is known it will be incorporated into future reports to Councillors.
6. That the Council's General Fund Balance remains at £10.0 million; the minimum balance as determined in the Council's approved Reserves and Balances Policy. Emphasis therefore continues to be placed on identifying budget reductions and income generation proposals to meet the projected budget deficit over the medium term.
7. That the 2019-2020 budget timetable will, as in previous years, include an update on all budget assumptions and the Provisional Local Government Settlement which will be presented to Cabinet in January 2019, with the final budget report due to be approved by Full Council in March 2019.
8. The HR implications as outlined in the report and that reductions in employee numbers will be achieved in line with the Council's HR policies.

## **1.0 Purpose**

- 1.1 The purpose of this report is to provide Councillors with an update on progress towards identifying additional budget reduction proposals in order to address the projected £19.5 million budget deficit for 2019-2020 as reported to Cabinet in July 2018.
- 1.2 This is the second report of the financial year on the Draft Budget and the Medium Term Financial Strategy (MTFS) for the period to 2019-2020 and provides an update on some key factors, the timetable for the budget process and the risks in relation to them.

## **2.0 Background and Summary**

- 2.1 The 2018-2019 Budget and Medium Term Financial Strategy (MTFS) 2018-2019 to 2019-2020 was presented to Full Council for approval on 7 March 2018. The Council was able to set a balanced budget for 2018-2019 without the use of General Fund reserves. However, it was projected that the Council would be faced with finding further estimated budget reductions totalling £19.5 million by 2019-2020.
- 2.2 It is important to note that the updated projected budget deficit assumes the achievement of budget reduction and financial transaction proposals amounting to £28.3 million over the two-year period from 2018-2019 to 2019-2020.
- 2.3 In March 2018, Full Council approved that work started immediately to identify budget reductions to deliver the £19.5 million projected budget deficit in 2019-2020, with an update on progress to be reported to Cabinet in July 2018.
- 2.4 It should be noted that due to external factors, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.
- 2.5 Since the 2018-2019 budget was set, work has been ongoing across the Council to identify opportunities and cross-cutting strategies to support the budget strategy for 2019-2020.
- 2.6 An update on the high-level strategy to address the projected budget challenge of £19.5 million for 2019-2020 was presented to Cabinet on 11 July 2018. At that point, various opportunities including: one-off funding streams, council tax income, the realisation of benefits from existing strategies and directorate budget reduction targets resulted in the identification of £16.2 million towards the projected budget deficit. Cabinet approved the incorporation of this high-level strategy into the Draft Budget and Medium Term Financial Strategy 2019-2020. Taking this into account, the remaining budget challenge to be identified for 2019-2020 stood at £3.3 million.

- 2.7 Work has continued during the second quarter of this financial year to identify additional budget efficiencies, budget reduction and income generation opportunities to meet the directorate budget reduction targets and to also address the projected remaining budget deficit in 2019-2020, amounting to £3.3 million.
- 2.8 This report provides an update on progress since July 2018 and details the pressures that the Council currently faces.

### **3.0 Budget Strategy 2019-2020 and the Medium Term**

- 3.1 The Council's strategic approach to address the budget deficit continues to be to align resources to the Council's Corporate Plan 2016-2019.
- 3.2 The Council will soon be undertaking a review of the Corporate Plan 2016-2019 and will be developing the Council's Corporate Plan 2020-2025. Over the medium term, resources will continue to be aligned to enable the realisation of the Council's core objectives of achieving:
- a Stronger Economy to provide inclusive growth,
  - Stronger Communities to build resilience,
  - a Stronger Organisation focused on organisational development.
- 3.3 Investment in the future is essential to achieve the Council's Corporate Plan and also the City Vision.
- 3.4 Since the 2018-2019 budget was set in March 2018, work has been ongoing to identify a high-level strategy to address the projected budget challenge of £19.5 million for 2019-2020.

#### **Proposals for 2019-2020**

- 3.5 In July 2018, a number of proposals were presented to Cabinet for approval to address the projected budget deficit for 2019-2020. Proposals were classified as:
- one off funding streams,
  - realisation of benefits from existing strategies,
  - directorate budget reduction targets.
- 3.6 Since the last update to Cabinet in July 2018, further detailed work has continued to take place to develop the proposals reported to Cabinet at that point in time. As a result of this detailed work, there have been some revisions to these proposals, as detailed in the paragraph below.
- 3.7 In July 2018, Cabinet were informed of a recent ruling by the European Court of Justice which had raised the possibility of avoiding the need to charge VAT on some activities where the Council charged the standard 20%. Partners were engaged to lodge a claim on behalf of the Council for overpaid VAT which was anticipated to be in the region of £2.0 million from July 2007 to March 2018. The successful recovery of overpaid VAT has been granted at £1.8 million, approximately £200,000 lower than anticipated.

### Directorate Budget Reduction Targets

- 3.8 Directorates were allocated budget reduction targets for 2019-2020 in July 2018. Work has taken place during the second quarter of the financial year to further develop and identify new proposals towards the directorate level budget reduction targets for 2019-2020. Progress against these targets is detailed in the table below:

**Table 1 – Directorate Budget Reduction Progress against Target**

Directorate	Directorate Target £000	Total of Proposals £000	Variation (Over)/Under £000
Place	(2,000)	(1,272)	728
People (including Public Health)	(2,000)	(2,061)	(61)
Corporate Services (including Education)	(1,500)	(2,092)	(592)
<b>Total</b>	<b>(5,500)</b>	<b>(5,425)</b>	<b>75</b>

- 3.9 As can be seen from the table above, the Council has identified a total of £5.4 million of proposals towards the directorate budget reduction targets. This represents significant progress towards the projected budget deficit for 2019-2020. Nevertheless, work will continue to develop new ideas to generate further efficiencies across the Council.
- 3.10 The proposals have been classified into those upon which the outcome of formal budget consultation is required – Budget Reduction and Income Generation proposals – and proposals which can be implemented without reliance on the outcome of formal budget consultation – Financial Transactions and Base Budget Revisions. Further details can be found in Appendices 1 and 2 to this report.
- 3.11 A significant amount of proactive work has been undertaken to review fee structures, invest in technology, review contract management and consider alternative delivery models. As a result of this, the Council has been able to generate £4.7 million of proposals which can be implemented without reliance on the outcome of formal budget consultation. These proposals are classed as Financial Transactions and Base Budget Revisions.
- 3.12 The Council has also identified a total of £695,000 Budget Reduction and Income Generation proposals.
- 3.13 It is proposed that Cabinet approve that the Budget Reduction and Income Generation proposals amounting to £695,000 in 2019-2020 proceed to the formal consultation and scrutiny stages of the budget process. The outcome of budget consultation and scrutiny will be reported to Cabinet in February 2019.
- 3.14 Included within the identified directorate proposals above, there are a number of proposals in the Public Health and Wellbeing portfolio that have been identified to offset a £548,000 reduction in Public Health grant income that will be realised in 2019-2020. Further details on those proposals can be found in Appendices 1 and 2.

- 3.15 Further details for individual proposals are available on the Council's website using the following link <http://www.wolverhampton.gov.uk/financialstrategy>
- 3.16 When reviewing grant income streams, service areas work to ensure that efficiencies are identified within the area so that the application of grant funding is maximised. This has been an area of focus particularly within the Education service.
- 3.17 Following the positive General Fund revenue outturn position for 2017-2018, it is proposed that proactive financial management across the Council is encouraged to identify efficiencies and mitigating actions to achieve underspends in 2018-2019.
- 3.18 In order to secure the benefit of Financial Transaction and Base Budget Revision proposals at the earliest opportunity, it is proposed that Cabinet delegate authority to the responsible Director and the Director of Finance to implement Financial Transactions and Base Budget Revisions where the proposal is not reliant on the outcome of formal budget consultation. Where possible this will be implemented in 2018-2019 to realise the benefit.

#### **4.0 Update on Key Factors**

- 4.1 The assumptions used in the preparation of the budget and Medium Term Financial Strategy (MTFS) remain under constant review and update.
- 4.2 In July 2018, Cabinet were asked to note emerging pressures within the Looked After Children, Visitor Economy and Corporate Landlord services, following overspends in 2017-2018 as reported in the Revenue Outturn 2017-2018 report. Those service areas continue to be kept under review, however it is anticipated that budget pressures totalling a cumulative £3.8 million will be prevalent in 2019-2020, therefore increasing the projected budget deficit in that year.
- 4.3 In addition to this, on 2 February 2018 the Ministry of Housing, Communities and Local Government issued new Statutory Guidance on Local Government Investments and Minimum Revenue Provision (MRP). The majority of the guidance on MRP is effective from 1 April 2019, however the guidance is currently under review to identify any necessary changes to the Council's strategies and any consequential budget pressure that may arise.
- 4.4 Whilst the Government have recently announced additional monies in 2018-2019 for the Council to address winter pressures; the final allocation has not yet been confirmed. It is anticipated, based on current financial modelling, that there may be additional adult social care pressures over the medium term. This will be to be kept under review, with further updates provided to Cabinet in due course.
- 4.5 During the Autumn, a detailed review will be undertaken to verify all the assumptions and forecasts in the MTFS. This will include an analysis of pay and non-pay inflation.

## **5.0 High-Level Strategy for 2019-2020**

- 5.1 Taking into account the progress against directorate budget reduction targets and emerging pressures, detailed above, and early work on the analysis of MTFS assumptions, it is anticipated that the projected remaining budget deficit for 2019-2020 will be in the region of £6 million.
- 5.2 Over the medium term, the Council's resources will continue to be aligned to enable the realisation of the Council's core objectives, as detailed in paragraph 3.2. However, the high-level budget strategy for 2019-2020 will remain focused on achieving continuous improvement whilst delivering further efficiencies. The strategy will include: exploring alternative business models, a targeted approach to service provision and a risk based approach to budget allocations. The strategy is also to continue to support the independence of individuals and communities, maximising external income, identifying opportunities for further commercialisation and reviewing demand management, which has proved to be an effective approach to identifying deliverable budget reductions.
- 5.3 An update on the budget position based on the high-level strategy will be presented to Cabinet for consideration in January 2019.
- 5.4 It is important to note it is anticipated that the remaining budget deficit for 2019-2020 will be achieved without calling upon the General Fund reserves. Confident Capable Council Scrutiny Panel have approved that the Specific Reserves Working Group meet again in 2018-2019 to review and scrutinise earmarked reserves as part of the budget setting process for relevance and adequacy, in line with the Council's financial procedure rules.
- 5.5 Due to the uncertainty, the Council currently faces, it is difficult to establish a medium term financial strategy beyond 2019-2020, however work has been ongoing to project a forecast medium term position. At the point of writing, it is projected that the medium-term budget challenge could be in the region of £40-50 million over the next five years. This continues to represent the most significant financial challenge that the Council has faced. Service areas across the Council will continue to develop budget efficiencies, service transformation and income generation proposals in order to meet the budget challenge. Cabinet will be provided with budget update reports in due course documenting progress towards bridging this gap.
- 5.6 Recognising the scale of the challenge, processes will be refreshed, including maximising the benefit of the scrutiny process, to ensure a long-term approach to medium term financial planning and the pace of delivery of proposals.

### **Council Tax**

- 5.7 In the provisional settlement for 2018-2019, the Government announced a change to the referendum limit on Council Tax increases in 2018-2019 and 2019-2020 from 1.99% to 2.99%. This would therefore enable the Council to increase Council Tax by a maximum of 4.99% in 2019-2020; the sum of 2.99% Council Tax increase plus a 2% adult social care precept.

- 5.8 The Budget and MTFs 2018-2019 to 2019-2020 approved by Full Council on 7 March 2018 assumes an increase in Council Tax of 1.99%, in addition to the Government's social care precept of 2%, totalling 3.99% for 2019-2020. Taking into account the change in the referendum limit, it is proposed that consideration be given to increasing Council Tax by a further 1% in 2019-2020 to 2.99% as part of the 2019-2020 budget consultation process. It is forecast that funds in the region of £1.0 million could be realised in 2019-2020, if Council Tax were to be raised by an additional 1%. The funds generated would support the delivery of key services.
- 5.9 As discussed above, the budget consultation process will include the opportunity for Wolverhampton citizens to comment on council tax increases and will seek views on further potential amendments to council tax and the adult social care precept, should the Government provide further opportunity to levy charges.

## **6.0 Future Uncertainties**

- 6.1 As reported to Cabinet on 20 February 2018, it is important to note that there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities particularly regarding 2020-2021 onwards. The Comprehensive Spending Review 2020, the Fair Funding Review and potential pressures arising as a result of new responsibilities will all impact upon the Council's budget.
- 6.2 On 30 May 2018, the Government released a briefing paper which provided an update on business rates retention, the Government's proposals for changes to the local government finance system and the Fair Funding Review.
- 6.3 The briefing paper indicated that the Fair Funding Review will be implemented on 1 April 2020. It is anticipated that a series of technical consultations will be published mid-2018, with broad outlines of the new system available by winter 2018. Indicative numbers, comprising of individual local authority allocations following implementation are expected to be made available by summer 2019, with final numbers available later that year.
- 6.4 In addition to this, it was recently announced that the Government have delayed the publication of the Adult Social Care Green Paper until autumn 2018 so that it can be integrated with the new NHS plan, further adding to the uncertainty faced by the Council. However, it should be noted that the Government has recently announced additional monies for the Council in 2018-2019 to address winter pressures; the final allocation has not yet been confirmed.
- 6.5 The Chancellor of the Exchequer has announced that the 2018 Autumn Budget Statement will be delivered on 29 October 2018. It is hoped that some certainty with regards to future funding streams will be provided.
- 6.6 It is important to note that due to external factors and future uncertainties, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.

## 7.0 General Fund and Earmarked Reserves

- 7.1 The Council's General Fund reserve remains at £10.0 million; the minimum balance as determined in the Council's approved Reserves and Balances Policy. Emphasis therefore continues to be placed on identifying budget efficiencies, budget reductions and income generation proposals to meet the projected budget deficit over the medium term.
- 7.2 As detailed in the high-level strategy above, the remaining budget deficit for 2019-2020 will be achieved without calling upon the General Fund reserves.
- 7.3 It is important to note however, as in previous years, earmarked reserves will be reviewed and scrutinised as part of the budget setting process for relevance and adequacy, in line with the Council's financial procedure rules.

## 8.0 Budget Risk Management and Timetable

- 8.1 A summary of the 2019-2020 budget setting process timetable is detailed in the table below:

**Table 2 – Budget Timetable**

Milestone	Deadline
Draft Budget and Medium Term Financial Strategy (MTFS) 2019-2020 report to Cabinet	17 October 2018
Formal Budget Consultation and Scrutiny	19 October – 31 December 2018
Budget Update Report following the Local Government Finance Settlement to Cabinet	23 January 2019
Final Budget Report 2019-2020 to Cabinet	20 February 2019
Full Council Approval of Final Budget 2019-2020	6 March 2019

- 8.2 As part of the budget consultation process there will be four evening meetings at various venues in Wolverhampton, as detailed in Appendix 3, as well as a breakfast meeting with business representatives and three other meetings with community groups.
- 8.3 As in previous years an online survey will be used to support the consultation process. Paper copies of the survey will also be made available.
- 8.4 It is recommended that Cabinet approve that authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to approve the final budget consultation arrangements.
- 8.5 It is important to note, that the overall level of risk associated with the Draft Budget and Medium Term Financial Strategy (MTFS) 2018-2019 to 2019-2020 is assessed as Red for the first time since February 2016. The following table provides a summary of the risks associated with the MTFS, using the corporate risk management methodology.

**Table 3 - General Fund Budget Risks 2018-2019 – 2019-2020**

<b>Risk</b>	<b>Description</b>	<b>Level of Risk</b>
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, and National Living Wage.	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources. This risk often applies to adults and children's social care.	Red
Identification of Budget Reductions	Risks that might materialise as a result of not identifying budget reductions due to limited opportunity to deliver efficiencies.	Amber
Budget Management	Risks that might materialise as a result of the robustness of financial planning and management, in addition to the consideration made with regards to the loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
Reduction in Income and Funding	<p>Risks that might materialise as a result of the Final Local Government Finance Settlement.</p> <p>Risks that might materialise as a result of income being below budgeted levels, claw back, reduction to government grant or increased levels of bad debts.</p> <p>The risk of successful appeals against business rates.</p>	Red
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and taxation rules, the impact of exiting the European Union and, in particular, from the Care Bill.	Amber

## **9.0 Evaluation of alternative options**

- 9.1 In determining the proposed high level budget strategy for 2019-2020, consideration has been made to the deliverability of budget reduction and income generation proposals and budget pressures. If we were to not implement the budget strategy as proposed in this report, alternative options would need to be identified in order for the Council to set a balanced budget in 2019-2020. This may therefore potentially impact upon service provision.

## **10.0 Reasons for decisions**

- 10.1 It is recommended that the high-level budget strategy for 2019-2020, including Financial Transactions, Budget Reduction and Income Generation Proposals, as set out in this report, is approved by Cabinet for formal budget consultation and scrutiny where necessary. Cabinet will be provided with an update following formal budget consultation and scrutiny in the Draft Budget and Medium Term Financial Strategy 2019-2020 report which will be presented to Cabinet in February 2019. In approving this strategy, the Council will be working towards identifying options to be able to set a balanced budget for 2019-2020.

## **11.0 Financial Implications**

- 11.1 The financial implications are discussed in the body of the report.

[MH/08102018/Y]

## **12.0 Legal Implications**

- 12.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any budget reduction proposals.
- 12.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.
- 12.3 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its Council Tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon an assessment of all the circumstances considered likely to affect the Council.

- 12.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFS, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).
- 12.5 In addition, Section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to **'...make a report ... if it appears to her that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented'**:
- a. has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
  - b. has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
  - c. is about to enter an item of account the entry of which is unlawful.
- 12.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 12.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2019-2020.  
[RB/05102018/Q]

### **13.0 Equalities implications**

- 13.1 The development of the various budget reduction proposals includes an initial equalities screening for each proposal and, where necessary, a full equalities analysis will be completed before the final draft budget is presented to Cabinet in February 2019 and Council in March 2019. This will also include a cumulative analysis of the various proposals to ensure Councillors can pay due regard to the equalities impact of their budget decisions.

### **14.0 Human resources implications**

- 14.1 In line with the Council's statutory duties as an employer under the Trade Union Labour Relations (Consolidation) Act 1992, an HR1 form was issued to the Secretary of State for Business, Innovation and Skills identifying the intention to reduce employee numbers by up to 500 across the Council in the period 1 April 2018 up to 31 March 2019.

- 14.2 A new HR1 will be issued with effect from the 1 April 2019 up to 31 March 2020 identifying that a further 500 jobs may need to be put at risk of redundancy throughout this period.
- 14.3 The numbers included in an HR1 include posts held by colleagues who, as part of business review, redesign and/or restructure, need to be included, as they will be placed at risk of redundancy. However, many of these employees can apply and be offered jobs in any new structure or elsewhere in the organisation and therefore the number of employees leaving the authority is always anticipated to be lower than the numbers put at risk and declared on an HR1.
- 14.4 As detailed in the report, budgetary savings will also be made through efficiencies with new and smarter ways of working and transformation initiatives. Income generation will also be key.
- 14.5 Reductions in employee numbers will be achieved in line with the Council's HR policies. Compulsory redundancies will be mitigated as far as is possible through seeking voluntary redundancies in the first instance, and through access to redeployment.
- 14.6 The Council will ensure that appropriate support is made available to employees who are at risk of and selected for redundancy, and will work with partner and external agencies to provide support. Budget reduction targets to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations. If TUPE were to apply, appropriate consultation with relevant Trade Unions and affected employees, would take place.
- 14.7 There is on-going consultation with the trade unions on the impact of the Council's budgetary position and the targets being made to meet the challenges posed by it.  
[HR/DP/068]

## **15.0 Schedule of Background Papers**

Cabinet – 11 July 2018 '[Draft Budget and Medium Term Financial Strategy 2019-2020](#)'

Cabinet – 11 July 2018 '[Revenue Budget Outturn 2017-2018](#)'

Cabinet – 11 July 2018 '[Reserves, Provisions and Balances 2017-2018](#)'

Council – 7 March 2018 '[2018-2019 Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020](#)'

### Budget Reduction and Income Generation Proposals by Cabinet Portfolio

#### Children and Young People

Proposal Title	Directorate	2019-2020 £000
Child & Adolescent Mental Health Service Tier 3 funding to Black Country Partnership Foundation Trust	People	(137)
Supervised Contact Centre Provision for Children and Young People	People	(40)

#### City Assets and Housing

Proposal Title	Directorate	2019-2020 £000
Review provision of One Stop Toilet at Mander Centre	Place	(80)

## Budget Reduction and Income Generation Proposals by Cabinet Portfolio

## City Environment

Proposal Title	Directorate	2019-2020 £000
Review of residents parking schemes	Place	(20)
Review the maintenance and routine cleaning of illuminated road signs	Place	(30)
WV Active Catering Offer	Corporate	(100)

## Public Health and Wellbeing

Proposal Title	Directorate	2019-2020 £000
Integration of Public Health Service Contracts*	People	(288)

\* budget reduction proposal to offset reduction in grant income

## Financial Transaction and Base Budget Revisions by Cabinet Portfolio

Cabinet Portfolio	2019-2020 £000
Leader	71
Adults	907
Children and Young People	415
City Assets and Housing	420
City Economy	136
City Environment	740
Education and Skills	646
Governance	297
Resources	824
<b>Total</b>	<b>4,456</b>
Public Health and Wellbeing*	274

\* financial transaction to offset reduction in grant income

**Budget Consultation Meetings**

Venue	Date	Time
Bantock Tractor Shed	25 October 2018	6-8pm
Low Hill Community Centre	1 November 2018	6-8pm
Bob Jones Community Hub	13 November 2018	6-8pm
Bilston People's Centre	15 November 2018	6-8pm

This page is intentionally left blank

## Scrutiny Work Programme

### Scrutiny Board

The Board will have responsibility for scrutiny functions as they relate to:

Combined Authority, Future Customer, Future Performance and Communications

Date of Meeting	Item Description	Lead Report Author	Specific Questions for Scrutiny to consider
11.12.2018	Draft Budget and Medium Term Financial Strategy 2019-2020 – 2020-2021.  Presentation on the work of the Adult Education Centre  Customer Services and Access Issues	Claire Nye  Joanne Keatley  Lisa Taylor Andy Moran	
08.01.2019	Update on the Combined Authority Overview and Scrutiny Committee and Task and Finish Groups  Access Issues in relation to public meetings	Overview and Scrutiny Officer – CA Julia Cleary	Cllr Peter Hughes and Lyndsey Roberts Cllr Steve Simkins
12.03.2019	Portfolio Holder for Governance Questions and Answer Session  Leader Q & A Session		
09.04.2019			

Agenda Item No: 7

Other potential items: -

1. Cyber Security
2. Constitutional Review – Call in and Council processes

### **Scrutiny Reviews**

1. Fire Safety - Ongoing
2. Flooding and Emergency Response – Cllr Bateman to chair.
3. Reducing Violent Crime
4. Mini Scrutiny Reviews with Youth Council based on Make Your Mark
5. Autism
6. Review into CAMHS
7. Mini Review Transport Recommendations – invite Transport Police, Anti Social Behaviour Officers and Safer Travel Team.

### Scrutiny Board – Terms of Reference

- a. To arrange for the consideration of forthcoming Executive Decisions published in accordance with the Access to Information Procedure Rules with a view to identifying issues for early discussion with the Cabinet and/or scrutiny prior to decisions being made.
- b. The Board will oversee the operation of the [call-in mechanisms](#) with the Panels being responsible for hearing those call-ins related to their terms of reference. When the call-in relates to an overarching policy framework / budget issue or a matter that falls within the remit of more than one scrutiny panel it will default to the Scrutiny Board. Further, if the issue is considered to be of particular significance, either the Chair or Vice Chair of the Scrutiny Board can ask for it to come to the Board.
- d. The Board will oversee the work programmes of Scrutiny Panels to avoid duplication of work and to ensure coherence of approach to cross-cutting policy themes. The Board may determine that one named Panel shall take lead responsibility for a cross-cutting policy theme or may determine that the work be shared between one or more named Panels.
- e. The Board will ensure coherence between the policy development work of the named Panels and their role in the consideration of reports received from external auditors and external regulatory Inspectors.
- f. The Board will make recommendations to the Cabinet on the allocation of budgetary and employee resources held centrally for the purpose of supporting scrutiny work.
- g. The Board will ensure that good practices and methods of working are shared between Panels and in particular will seek to optimise the inclusion of citizens, partners and stakeholders in the work of Scrutiny.
- h. The Board will review or scrutinise non-Cabinet business and may make reports or recommendations to the Council. The Board will consider policy and due process and will not scrutinise individual decisions made by Regulatory or other Committees particularly those quasi-judicial decisions relating to development control, licensing etc.

which have been delegated by the Council. The Board will not act as an appeal body in respect of non-Cabinet functions.

- i. The Board will oversee the work of any Councillors appointed to act as lead members or 'champions' in respect of any specific priority tasks or areas of policy development identified by the Council.
- j. The Board or another relevant scrutiny panel will consider any petition that contains 2,500-4,999 signatures with a view to making recommendations for action by employees or review by the Executive as appropriate.
- k. The Board will undertake the tracking and monitoring of scrutiny review recommendations.
- L. The Board will oversee the coordination of the budget scrutiny process.

**Confident, Capable Council Scrutiny Panel Work Programme**

The Panel has responsibility for Scrutiny functions as they relate to, Strategic Financial Services, Revenues and Benefits, Strategic Procurement, The HUB, Audit, Human Resources, Corporate Administration, Democracy, Corporate Landlord, Transformation and ICT

<b>Date of Meeting</b>	<b>Item Description</b>	<b>Lead Report Author</b>	<b>Specific Questions for Scrutiny to consider</b>
28.11.2018	<ul style="list-style-type: none"> <li>Print and Design service – report on performance of the service following the installation of new machines and tour of site</li> </ul>	Gail Rider, Head of ICT	
	<ul style="list-style-type: none"> <li>Customer Services Journey</li> </ul>	Andy Moran, Director of Commercial Services /Lisa Taylor, Head of Service Improvement Corporate	
	<ul style="list-style-type: none"> <li>Strategic Procurement - local spend, savings realised, Brexit implications</li> </ul>	Andy Moran, Director of Commercial Services	
	<ul style="list-style-type: none"> <li>Draft Budget and Medium Term Financial Strategy 2019-2020 – 2020-2021</li> </ul>	Claire Nye, Director of Finance/ Alison Shannon/ Michelle Howell	
	<ul style="list-style-type: none"> <li>Draft Work Programme</li> </ul>	Earl Piggott-Smith, Scrutiny Officer	
23.1.19	<ul style="list-style-type: none"> <li>Asset Management Strategy</li> </ul>	Claire Nye, Director of Finance/ Andy Moran, Director of Commercial Services	

	<ul style="list-style-type: none"> <li>Draft Work Programme</li> </ul>	Earl Piggott-Smith, Scrutiny Officer	
06.02.2019	<ul style="list-style-type: none"> <li>Welfare Reform Impact – Briefing Paper</li> </ul>	Sue Martin/Shawn Aldis (Wolverhampton Homes)	Briefing on the impact on residents moving to Universal Credit
	<ul style="list-style-type: none"> <li>Visitor Access to Civic Centre – update report</li> </ul>	Chris East, Head of Facilities/Lisa Taylor, Head of Service Improvement Corporate	
	<ul style="list-style-type: none"> <li>Portfolio Holder Session with Q &amp; A</li> </ul>	Cllr Louise Miles	
	<ul style="list-style-type: none"> <li>Draft Work Programme</li> </ul>	Earl Piggott-Smith, Scrutiny Officer	
10.04.2019	<ul style="list-style-type: none"> <li>Assessment and evaluation of the Smart Working Policy</li> </ul>	Denise Pearce, Head of Human Resources	
	<ul style="list-style-type: none"> <li>Legal Services Private Work</li> </ul>	Kevin O’Keefe, Director of Governance	
	<ul style="list-style-type: none"> <li>Draft Work Programme</li> </ul>	Earl Piggott-Smith, Scrutiny Officer	

#### Future Items – dates tbc

1. Training session on treasury management. This training is being organised by Organisation Development

**Stronger City Economy Scrutiny Panel Work Programme**

The Panel will have responsibility for Scrutiny functions as they relate to: -

Enterprise and Skills, City Development, Visitor Economy, Adult and Cultural Learning, Economic Inclusion and Service Development.

<b>Date of Meeting</b>	<b>Item Description</b>	<b>Lead Report Author</b>	<b>Specific Questions for Scrutiny to consider</b>
20.11.2018	<ul style="list-style-type: none"> <li>Portfolio Holder Session with Q &amp; A</li> <li>Draft Budget and Medium Term Financial Strategy 2019-2020 – 2020-2021.</li> </ul>	John Reynolds  Claire Nye, Director of Finance	
12.02.2019	<ul style="list-style-type: none"> <li>Supporting Businesses in the City to Innovate</li> <li>Briefing Note – City Commission</li> </ul>	Isobel Woods / Charlotte Johns  Richard Lawrence / Isobel Woods	
02.04.2019	TBC		

Other Potential items:-

1. Policy implications from West Midlands Combined Authority/Regional/National or International Sources
2. How do we monitor our communications?
3. Skills and Employment

### Vibrant and Sustainable City Scrutiny Panel Work Programme

The Panel will have responsibility for Scrutiny functions as they relate to: -

Operational Services, Public Realm, Commercial Services, Regulatory Services (policy), City Housing, Planning (policy), Strategic Transport, Keeping the city clean, Keeping the city moving, Improving the city housing offer and Strategic Asset Management.

Date of Meeting	Item Description	Lead Report Author	Specific Questions for Scrutiny to consider
06.12.2018	<ul style="list-style-type: none"> <li>Active Travel</li> <li>Briefing Note – Christmas Waste Collections</li> <li>Council's Tree Policy</li> <li>Draft Budget and Medium Term Financial Strategy 2019-2020 – 2020-2021.</li> </ul>	John Denley  Ross Cook  Steve Woodward & Richard Johnson  Claire Nye, Director of Finance	
28.02.2019	<ul style="list-style-type: none"> <li>Portfolio Holder Session with Q &amp; A</li> <li>Evaluation of Waste Management Delivery Plan</li> <li>WV Active</li> </ul>	Steve Evans Ross Cook Sean McBurney  How well are WV Active doing at	

		meeting their targets?	
11.04.2019	<ul style="list-style-type: none"><li>• Environment Survey Results</li><li>• Full Review of Housing Allocations Policy</li></ul>	Steve Woodward  Mila Simpson	

**Potential Future Item: -**

- 1. The Condition of the Roads (Including Potholes) in Wolverhampton
- 2. Transport Scrutiny
- 3. Briefing note on the results of the Environmental Services Survey

## Health Scrutiny Panel

The Panel will have responsibility for Scrutiny functions as they relate to:-

- All health-related issues, including liaison with NHS Trusts, Clinical Commissioning Groups, Health and Wellbeing Board and HealthWatch.
- All functions of the Council contained in the National Health Service Act 2006, to all regulations and directions made under the Health and Social Care Act 2001, the Local Authority (Overview and Scrutiny Committees Health Scrutiny Functions) Regulations 2002,
- The Health and Social Care Act 2012 and related regulations.
- Reports and recommendations to relevant NHS bodies, relevant health service providers, the Secretary of State or Regulators.
- Initiating the response to any formal consultation undertaken by relevant NHS Trusts and Clinical Commissioning Groups or other health providers or commissioners on any substantial development or variation in services.
- Participating with other relevant neighbouring local authorities in any joint scrutiny arrangements of NHS Trusts providing cross border services.
- Decisions made by or actions of the Health and Wellbeing Board.
- Public Health – Intelligence and Evidence
- Public Health – Health Protection and NHS Facing
- Public Health - Transformation
- Public Health – Commissioning
- Healthier City
- Mental Health
- Commissioning Mental Health and Disability
- HeadStart Programme

Date of Meeting	Item Description	Lead Report Author	Specific Questions for Scrutiny to consider
15.11.2018	<ul style="list-style-type: none"> <li>Refreshed CAMHS Local Transformation Plan</li> <li><b>Winter planning/resilience plans - update</b></li> <li><b>Integrated Care Alliance in Wolverhampton</b></li> <li>Draft Budget and Medium Term Financial Strategy 2019-2020 – 2020-2021.</li> </ul>	<p>Margaret Courts Children's Commissioning Manager, WCCG</p> <p>Dr Odum, The Royal Wolverhampton NHS Trust</p> <p>The Royal Wolverhampton NHS Trust</p> <p>Claire Nye</p>	<p><a href="#">Primary Care Vertical Integration</a></p>
24.01.2019	<ul style="list-style-type: none"> <li>Black Country Partnership NHS Foundation Trust – Transforming Care Partnership – update and Quality Accounts 2018/19 – progress against priorities</li> <li>Eye and hearing checks</li> <li>Cancer treatment services – performance against national targets</li> </ul>	<p>Lesley Writtle, Black Country Partnership</p> <p>Andrea Smith, Head of Integrated Commissioning, Wolverhampton CCG</p> <p>The Royal Wolverhampton NHS Trust</p>	<p>performance against local and national targets</p>

	<ul style="list-style-type: none"> <li>• RWHT – staff recruitment and retention</li> <li>• Patient Advice and Liaison Service ( PALS)</li> </ul>	<p>The Royal Wolverhampton NHS Trust</p> <p>Alison Dowling   Head of Patient Experience and Public Involvement The Royal Wolverhampton NHS Trust</p>	maintaining staff levels to deliver safer care and better patient experience
21.03.2019	<ul style="list-style-type: none"> <li>• Hospital Mortality Statistics – update</li> <li>• Public Health Vision – Review of Progress against national performance targets</li> <li>• GP appointment waiting times – involve Wolverhampton Healthwatch</li> </ul>	<p>Dr Odum, The Royal Wolverhampton NHS Trust</p> <p>John Denley, Director of Public Health</p> <p>Wolverhampton CCG and Healthwatch</p>	<p><a href="http://www.wolverhampton.gov.uk/health">http://www.wolverhampton.gov.uk/health</a></p>

**List of potential topics - dates and method of scrutiny to be agreed by the panel**

1. West Midlands Ambulance Service - Quality Accounts 2017/18 - May 2019 (tbc)
2. RWHT - Quality Accounts 2017/18 – 23 May 2019 (tbc)
3. Black Country Partnership NHS Foundation Trust – Quality Accounts – May 2019 (tbc)
4. Walsall CCG - [Reconfiguration of hyper acute and acute stroke services](#)
5. Ward sizes,age,transition arrangements for a young person moving to an adult ward
6. Pharmecuatical Ordering

**Adults and Safer City Scrutiny Panel**

The Panel will have responsibility for scrutiny functions as they relate to: -

Older people assessment and care management, Financial support services, Libraries and community hubs, Independent living centre, Commissioning older people, Carers support and All age disabilities (disabilities).

<b>Date of Meeting</b>	<b>Item Description</b>	<b>Lead Report Author</b>	<b>Specific Questions for Scrutiny to consider</b>
27.11.2018	<ul style="list-style-type: none"> <li>Transport – Safety, Bus Shelters (reponse to Youth Council mini review)</li> </ul>	Andrew Scragg	
	<ul style="list-style-type: none"> <li>Draft Budget and Medium Term Financial Strategy 2019-2020 – 2020-2021.</li> </ul>	Claire Nye, Director of Finance	
	<ul style="list-style-type: none"> <li>The West Midlands Police and Crime Plan 2016-20 (tbc)</li> </ul>	Ashley Bertie and Mary Jacobs - West Midlands Police and Crime Commissioner	
	<ul style="list-style-type: none"> <li>Draft work programme</li> </ul>	Earl Piggott-Smith	
29.01.2019	<ul style="list-style-type: none"> <li>Draft work programme</li> </ul>	Earl Piggott-Smith	
26.03.2019	<ul style="list-style-type: none"> <li>Principal Social Worker Annual Report</li> </ul>	Louise Haughton, Principal Social Worker	

	<ul style="list-style-type: none"> <li>• Quality Assurance Compliance Update</li> <li>• Transforming Care - Annual Report 2019</li> <li>• Draft work programme</li> </ul>	Earl Piggott-Smith	
--	---	--------------------	--

### Adults and Safer City Scrutiny Panel

Long list of topics - dates for presentation and method of scrutiny to be agreed

1. Quality of Care – issues of quality assurance - Sarah Smith, Head of Commissioning
2. Draft People Directorate Commissioning Strategy – 13.6.17
3. Responding to Serious and Organised Crime - To provide an outline of partnership proposals to address serious and organised crime in the city and the Council's contribution. (Karen Samuels – CWC Community Safety/Chief Inspector Karen Geddes – West Midlands Police/Andy Moran – CWC Procurement)

Briefing notes for distribution via the Document Library:

1. Fatal Contraband and Alcohol - Update requested from meeting in July 2016 – Sue Smith agreed to lead
2. Crime Reduction and Community Safety and Drugs Strategy Update – request from meeting held in July 2017 – Karen Samuels and David Watts
3. Supporting a Safe and Seamless Transfer from Specialist Care or Hospital Setting – Update to be provided following meeting on 31 January 2017 (David Watts).
4. Better Care Fund – Update requested at meeting held on 31 January 2017.
5. Dementia City – Update on how GP services could be improved, any identified strengths and weaknesses and if possible data on which GPs were reporting incidents – lead Kathy Roper

**Children, Young People and Families Scrutiny Panel**

The Panel will have responsibility for scrutiny functions as they relate to: -

Children in need/child protection, Looked after children, Early help 0-5, Early help 5-18, Youth offending, Children's commissioning, School planning and resources and Standards and vulnerable pupils.

<b>Date of Meeting</b>	<b>Item Description</b>	<b>Lead Report Author</b>	<b>Specific Questions for Scrutiny to consider</b>
14.11.2018	• Draft Budget and Medium Term Financial Strategy 2019-2020 – 2020-2021	Claire Nye, Director of Finance	
	• Children and Young People Service Improvement Plan 2018-19 – Q2 Update	Emma Bennett, Director for Children's Service	
	• The Vision for School Organisation 2018-2020: City of Wolverhampton Education Place Planning - Update	Bill Hague, Head of School Planning	
16.01.2019	• The Vision for School Organisation and School Expansion	Stephanie Knight School Organisation Officer	
	• The provision of SEN at post 16 and presentation self-assessment report on current provision.	Adrian Leach, Head of Special Educational Needs and Disability	
	• Troubled Families Report Update	Denise Williams, Partnership Manager	
27.03.2019	TBC		

Long list of topics - dates for presentation and method of scrutiny to be agreed

1. Supporting Unaccompanied Asylum-Seeking Children
2. Mental Health Issues/CAMHS (Emma Bennett/CCG)
3. Unregistered independent schools and out of school settings
4. Youth Justice Plan 2018-2019 – action plan
5. Apprenticeship educational requirements
6. Progress report on school's expansion
7. Early Help Strategy 2018-2022
8. Children's Trust Board – briefing paper

**Work Plan Version: 10/11/18 12:00**