



## Health Scrutiny Panel

16 November 2017

<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020	
<b>Cabinet member with lead responsibility</b>	Councillor Paul Sweet Public Health and Wellbeing	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keith Ireland, Managing Director	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Claire Nye Tel Email	Director of Finance 01902 550478 Claire.Nye@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

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### Recommendations for decision:

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget 2018-2019.
2. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the approach to Budget Consultation for 2018-2019.
3. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on progress on key budget reduction targets as detailed in the report.
4. Approve that the Scrutiny Panel response be finalised by the Chair and Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

## **1.0 Purpose**

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

## **2.0 Background**

- 2.1 In March 2017, Full Council approved that work started immediately to identify £14.8 million of budget reductions and income generation proposals to address the projected deficit in 2018-2019.
- 2.2 An update was presented to Cabinet on 19 July 2017. The Council had identified a total of £12.5 million budget reduction opportunities towards the strategy of identifying £14.8 million for 2018-2019. Of the £12.5 million budget reductions proposals identified for 2018-2019, £5 million are ongoing budget reductions whilst £7.5 million are one-off budget reductions. The projected budget deficit was reported as £2.3 million for 2018-19.
- 2.3 Over the summer period, detailed work continued to take place and a further update was provided to Cabinet on 18 October 2017. At this meeting, Cabinet approval was sought to reprofile the previously approved Waste and Recycling budget reduction targets totalling a cumulative £2.1 million to 2019-2020, to reflect the anticipated implementation date. As a result of this, the remaining budget deficit to be identified for 2018-2019 increased from £2.3 million to £4.4 million. However, Cabinet approval was also sought to implement a further three financial transaction proposals in 2018-2019 totalling £4.4 million, which it is projected will enable the Council to set a balanced budget for 2018-2019.
- 2.4 As in previous years, the budget consultation process for the 2018-2019 budget will include four evening meetings at various venues in Wolverhampton, as well as a breakfast meeting with business representatives and other meetings with community groups. Furthermore, an online and paper survey will be used to support the consultation process. The 2018-2019 budget consultation focus is on how the Council and the community can Work Smarter Together. Details of the Council's budget consultation and the online survey can be found on the Council's website at: <http://www.wolverhampton.gov.uk/budgetconsultation>
- 2.5 In order to limit the volume of paper used as part of the budget reporting process, the Cabinet report has not been appended to this covering report. Panel members are instead requested to bring their copy of the Draft Budget and Medium Term Financial Strategy (MTFS) 2018-2019 – 2019-2020 report, which was circulated with the 18

October 2017 Cabinet agenda. Detail of all the Council's individual proposals, including the latest to be considered by Cabinet on 18 October 2017, can be found on the Council's website at:

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

- 2.6 It is important to note that any budget reduction and income generation proposals approved as part of prior year budget setting processes have already been scrutinised and approved by Cabinet and are therefore, already included in the MTFS.
- 2.7 As detailed in the Cabinet report, the 2018-2019 Draft Budget will be considered by Scrutiny Panels during the November/December round of meetings and the feedback from those meetings will be reported to Scrutiny Board on 5 December 2017, which will consolidate that feedback in a formal response to Cabinet (Resources) Panel on 16 January 2018. The feedback provided to Scrutiny Board will include questions asked by Panel members, alongside the responses received. Cabinet will take into account the feedback from Scrutiny Board when considering the final budget setting report in February 2018, for approval by Full Council in March 2018.

### **3.0 Existing Budget Reduction Targets**

- 3.1 The Draft Budget and Medium Term Financial Strategy 2018-2019 does not include any new Budget Reduction proposals which fall within the remit of this panel. Existing targets are included in the MTFS for 2017-2018 for Public Health and Wellbeing totalling £1 million. There are no targets currently in the MTFS for 2018-2019 and beyond.

### **4.0 Public Health and Wellbeing Update**

- 4.1 Public Health services are funded from a ring fenced grant from Department of Health (DoH). Funding is use in line with the conditions of grant and the 2017-2018 allocation is £21.3 million. The Public Health grant has been reduced year on year and the projected grant allocation for 2018-2019 is expected to be in the region of £20.8 million. Reductions are projected for future years but beyond 2019-2020 the level of grant and whether the ring fence will remain is uncertain.
- 4.2 The primary purpose of the conditions is to ensure that the grant is used to assist the Council to comply with its public health duties and mandatory services. Mandatory commissioned services include:
- Specialist and primary care sexual health services
  - National Child Measurement Programme
  - NHS Health Check Programme
  - Mandated elements of the health visiting service.

- 4.3 The grant is used to support the Public Health and Wellbeing workforce and associated costs; commissioned services and other services across the council that meet the outcomes of public health.
- 4.4 The forecast out-turn position for 2017-2018 as reported to Cabinet (Resources) Panel on 25 July 2017 identified a potential cost pressure of £376,000 across Public Health and Wellbeing. This forecast overspend took into account the use of £1.7 million from the Budget Contingency Reserve.
- 4.5 In order to deal with the recurrent cost pressures projected against Public Health a review has been undertaken across Public Health to determine how the grant should be utilised. The restructured service will prioritise the major contributors to poor health and wellbeing across the life course and promote the development of a public health focused organisation using a business partnering approach
- 4.6 The Public Health and Wellbeing workforce and associated costs account for around £5 million. A restructure on the workforce has been drafted and staff are currently being consulted.
- 4.7 Commissioned services account for around £15 million of the 2017-2018 allocation. A review of commissioned services has also been undertaken with the priority on the mandated element of the grant. Cabinet on the 29 November 2017 will receive a paper seeking authorise to undertake public consultation on its commissioning intentions with the aim that the reduced funding should be prioritised to ensure improvement in the health of the population.

## **5.0 Scrutiny Panel Recommendations**

- 5.1 The Panel are recommended to provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on:
- the Draft Budget 2018-2019;
  - the approach to Budget Consultation for 2018-2019;
  - the progress on key budget reduction targets as detailed in the report;
  - any other comments.
- 5.2 The Panel are also recommended to approve that the Scrutiny Panel response be finalised by the Chair and Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

## **6.0 Financial implications**

- 6.1 The financial implications are discussed in the body of the report, and in the report to Cabinet. [MH/08112017/F]

## **7.0 Legal implications**

7.1 The legal implications are discussed in the report to Cabinet. [TS/08112017R]

## **8.0 Equalities implications**

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

## **9.0 Environmental implications**

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

## **10.0 Human resources implications**

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

## **11.0 Schedule of background papers**

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