

Budget Minutes - Stronger City Economy Scrutiny Panel 20 November 2018

The Chief Accountant introduced a report on the Draft Budget and Medium Term Financial Strategy 2019-2020. She stated that in March 2018 it had been estimated that the Council would be facing a projected deficit of £19.5 million. Updated reports were received by the Council's Cabinet in July and October 2018. Following budget efficiencies, budget reductions, and income generating proposals, the projected deficit currently stood at £6 million. An update on the deficit would be received in January 2019. Part of the budget consultation process was to consult on budget proposals, classed as budget reduction and income generation proposals. These were changes which would directly impact on the residents of Wolverhampton or service users. There were none which fell within the remit of the Panel and there were seven proposals being directly consulted on, which amounted to £695,000. There was no requirement to consult the public on budget efficiencies as they did not impact directly on service delivery.

The Chief Accountant stated she was particularly interested to see how the Panel thought the budget should be scrutinised in the future. Comments from the Scrutiny Panel would be reported to Scrutiny Board on 11 December 2018 and then onwards to Cabinet in January 2019.

A Member of the Panel commented that the overall risk rating for the Draft Budget and Medium Term Financial Strategy had risen from amber to red. The Chief Accountant responded that the risk had changed because of two reasons. The first being an uncertainty in funding from 2020-2021, as the Government were conducting a comprehensive spending review. As part of this review they were assessing the formula used to identify how much funding a Council required. The second reason was due to the demands in adult and children's social services. There were also some uncertainties around ring-fenced grants such as Public Health.

The Chair asked for feedback from Members of the Panel who had attended a budget consultation event. A Member of the Panel commented that she had attended the event at Bantock Park. She had been struck with the high level of misunderstanding that those in attendance had of the Council's responsibilities. The Chair referred to the importance of monitoring the effectiveness of the budget consultation process.

The Head of Enterprise remarked that the business community had responded positively to the budget consultation event held with them. The businesses had welcomed being part of the process and wanted to gain an understanding of the issues, challenges and help to find solutions. The businesses wanted to carry on with the engagement process and so in January/February 2019 there would be a further event held. A continuous dialogue was ongoing, including with the businesses that had been unable to attend the first event. The Portfolio Holder for City Economy commented that it had been a very positive event and he was encouraged by the businesses collaborative tone. He was looking forward to meeting them again in January/February 2019 where solutions would be discussed, which included the concept of working more on a cross Black Country basis in some

areas. The Head of Enterprise commented that the Growth Hub was a useful communication tool in the Black Country.

A Member of the Panel stated that the population was more technically aware than they had ever been, and the Council needed to take advantage of this fact when consulting on the budget.

A Member of the Panel remarked that it was important to think of new pro-active solutions on how to promote the Council's budget consultation events and the online consultation form.

The Chief Accountant commented that the budget consultation was promoted in the Express and Star newspaper, by posters and through the Council's social media channels.