



Confident, Capable Council Scrutiny Panel

21 November 2013

Report Title	Budget Review – Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19	
Cabinet Member with Lead Responsibility	Councillor Roger Lawrence Leader of the Council	
	Councillor Andrew Johnson Resources	
Wards Affected	All	
Accountable Strategic Director(s)	Simon Warren, Chief Executive Sarah Norman, Community Keith Ireland, Delivery Tim Johnson, Education and Enterprise	
Originating service	Strategic Finance	
Accountable officer(s)	Mark Taylor Tel Email	Assistant Director Finance 01902 55(6609) mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by		

Recommendation(s) for action or decision:

The Panel is recommended to:

1. Provide feedback to Cabinet on the draft five year budget and medium term financial strategy 2014/15 to 2018/19, in particular those elements that are relevant to this Scrutiny Panel, including specifically:
 - a. the proposals for investment in services detailed at Appendix A;
 - b. the savings proposals detailed at Appendix B.

1. Purpose

- 1.1. The purpose of this report is to seek the panel's feedback on the draft five year budget and medium term financial strategy that was approved as the basis of consultation by the Cabinet on 23 October 2013, in particular the elements that relate to the work of this panel.

2. Background

- 2.1. At its meeting on 23 October 2013, the Cabinet considered a draft five year budget and medium term financial strategy for the period 2014/15 to 2018/19. Cabinet approved the draft budget strategy as the basis of budget consultation and scrutiny over forthcoming months.
- 2.2. The Cabinet report identified that the council needs to make savings of £97.6 million by 2018/19, due to a combination of reductions in resources and cost pressures. The report included a list of savings proposals amounting to £64.4 million to contribute to addressing this savings requirement.
- 2.3. As detailed in the Cabinet report, the five year budget and medium term financial strategy 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 17 December 2013, which will consolidate that feedback in a formal response to Cabinet on 8 January 2014. The feedback provided to Scrutiny Board will include questions asked by panel members, alongside the responses that they received. These arrangements have been endorsed by the Chair and Vice-Chair of the Scrutiny Board.
- 2.4. Scrutiny Board will consider the budget again in January 2014, following an update to Cabinet (Resources) Panel on the draft five year budget and medium term financial strategy and the local government finance settlement, which (report) is scheduled for December 2013. The purpose of this meeting will be to consider the response of Cabinet to the comments made by Scrutiny Board during the November/December round of meetings, together with any new savings proposals that may emerge. The outcome of this Board meeting will be incorporated into the final Cabinet budget report, scheduled for February 2014, ahead of full council considering the budget in March 2014.
- 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 Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19 report, which was circulated with the 23 October 2013 Cabinet agenda. Detail of individual savings proposals can be found on the council's website at: <http://www.wolverhampton.gov.uk/budgetsavings>.

3. Proposals relating to the work of this panel

- 3.1. Included in the draft budget and medium term financial strategy are investment in services and savings proposals relating to the remit of this panel. These are listed at

Appendix A and B respectively. The panel is requested to provide and record its comments on these proposals, for submission to Scrutiny Board and then Cabinet.

3.2. In addition to comment on investment in services and savings proposals, the panel may also request additional information or clarification. Any such requests will be noted separately, either for consideration by the panel at a future date, or for information to be forwarded to the panel members concerned.

3.3 More detailed information on each of the savings proposals is included in the document 'The Cuts – Facing Reality: Your Guide to Wolverhampton City Council's 5 year budget proposals for the period 2014-2019' which can be found on the council's [website](#).

4. Financial implications

4.1. The financial implications are discussed in the body of the report, and in the report to Cabinet.
[CN/05112013/T]

5. Legal implications

5.1. The legal implications are discussed in the report to Cabinet.
[JH/061113/W]

6. Equalities implications

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

7. Environmental implications

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

8. Human resources implications

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

9. Schedule of background papers

9.1. Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19, report to Cabinet, 23 October 2013

Inflationary Pressures							
Reference	Budget Pressure	Annual Ongoing Increase					
		2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	TOTAL £000

Delivery							
PI-Del01	Public Conveniences Contract	17	09	-	-	-	26
Total Delivery		17	09	-	-	-	26

Corporate							
Corp04	Anticipated rise in NNDR	140	145	145	145	145	720
Corp05	Anticipated rise in gas prices	65	68	68	68	68	337
Corp06	Anticipated rise in electricity prices	90	94	94	94	94	466
PI-Corp02	Introduce utility/other contingency (only to be used with the agreement of Budget Working Party)	500	750	1,000	1,500	1,500	5,250
Del01	Carbon Reduction Commitment	186	31	31	31	31	310
Del02	Supplementary increase in Landfill Tax announced by the Government.	144	144	144	144	144	720
Del03	Increase in Pension Costs of former employees	209	176	176	176	176	913
Total Corporate		1,334	1,408	1,658	2,158	2,158	8,716

Total Council		1,351	1,417	1,658	2,158	2,158	8,742
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Budget Developments							
Reference	Budget Pressure	Annual Ongoing Increase					
		2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	TOTAL £000

Delivery							
D-Del02	FutureWorks - annual expenditure	-	-	716	-	-	716
Total Delivery		-	-	716	-	-	716
Total Council		-	-	716	-	-	716

Summary of Savings Proposals 2014-2015 - Efficiency									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reduction
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000
	Delivery								
0020	Internal Audit Services Employee Reduction	1	3	35	0	0	80	0	115
0028	Legal Services Restructure	6	6	250	0	0	0	0	250
0030	Depot Rationalisation - Environmental Services	0	0	0	500	0	0	0	500
0032	Creation of a council temporary staffing agency	0	0	50	150	100	0	0	300
0077	Restructures and re-negotiation of commercial contracts across the Delivery Directorate	0	0	0	0	1,000	1,000	1,000	3,000
0086	Revenues & Benefits Technology Improvements	0	11	0	100	75	50	0	225

Summary of Savings Proposals 2014-2015 - Efficiency										
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reduction	
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000	
0090	Risk Management and Insurance - Revision to workflow, process and procedures	0	0	50	0	0	0	0	50	
0096	Risk management and insurance - review of service provision	0	1	0	20	0	0	0	20	
0097	Review the Repair and Maintenance Budgets across Bereavement Services	0	0	10	0	0	0	0	10	
0099	Rationalisation of Staffing Levels in Bereavement Services	0	1	0	25	0	0	0	25	
0102	Review the Management Structure within City Services	0	4	0	140	0	0	0	140	
0104	Revenues & Benefits Reconfiguration of Mail Services	1	1	90	0	0	0	0	90	

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		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000	
0106	Rationalise the Contract Terms for School Bus Drivers	0	0	0	50	0	0	0	50	
0107	Health & Safety Team Employee Reduction	1	1	30	0	0	0	0	30	
0111	Review of Fees and Charges - Registrars	0	0	15	0	0	0	0	15	
0115	Review of Vehicle Hire Costs	0	0	30	0	0	0	0	30	
0117	Information and Communication Technology Service - Renegotiation of Software Contracts	0	0	50	0	0	0	0	50	
0122	Information and Communication Technology Service - Externalise Management of Mobile Phone Contract	0	2	0	60	0	0	0	60	
0124	Public Toilets Review	0	0	0	0	0	150	0	150	

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		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000
0125	Restructure of Facilities Management Function	0	3	0	0	165	40	40	245
0126	Reduction in corporate provision for bad debts	0	0	0	0	0	375	0	375
0127	Remove Property Services vacant posts that were due to be filled as part of the restructure	0	5	0	165	0	0	0	165
0129	Democratic Services Reduction in Councillors' Allowances	0	0	110	0	0	0	0	110
0130	Democratic Services Reduction in Councillor Training Budget	0	0	5	0	0	0	0	5
0131	Reduce the staff directly employed in the delivery function of Property Services	0	9	0	120	0	0	0	120
0132	Democratic Services Employee Reduction	0	1	10	20	0	0	0	30

Summary of Savings Proposals 2014-2015 - Efficiency									
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		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000
0135	Democratic Services Electoral Services Employee Reduction	0	1	0	0	15	0	0	15
0141	Electoral Services Project Manager Post Deletion	0	1	35	15	0	0	0	50
0164	Rationalise Public Realm Administrative Support	2	2	30	0	0	0	0	30
0190	Centralisation of budgets for external legal fees	0	0	25	25	50	62	38	200
0192	Efficiencies in service delivery across the Delivery Directorate	0	0	0	0	0	0	1,075	1,075
0199	Centralisation and Rationalisation of services - Central Services	0	0	0	50	300	50	0	400
	Delivery Total	11	52	825	1,440	1,705	1,807	2,153	7,930

Summary of Savings Proposals 2014-2015 - Efficiency									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation FTE	2014-19 Staffing Impli- cation FTE	2014-15 Base Budget Saving £000	2015-16 Base Budget Saving £000	2016-17 Base Budget Saving £000	2017-18 Base Budget Saving £000	2018-19 Base Budget Saving £000	TOTAL Base Budget Reduction Over 5 years £000
	Office of the Chief Executive (OCE)								
0161	Policy Team Restructure	2	9	75	190	0	0	0	265
0187	Centralisation and rationalisation of service provision	0	0	0	75	185	0	0	260
0196	Communications Service Review	2	3	100	50	0	0	0	150
	OCE Total	4	12	175	315	185	0	0	675
	Efficiency Total	15	64	1,000	1,755	1,890	1,807	2,153	8,605

Summary of Savings Proposals 2014-2015 – Growth Avoidance									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reducti on Over 5 years £000
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	£000
	Delivery								
0019	Removal of the Historical Contract Growth Costs for Grounds Maintenance and Street Scene Contracts	0	0	81	83	83	83	83	413
0022	Removal of growth - Increase in pension costs of former employees	0	0	209	176	176	176	176	913
0023	Removal of Growth - FutureWorks	0	25	0	0	0	300	416	716
0025	Removal of Growth - Carbon Reduction Commitment	0	0	0	0	0	50	50	100
	Delivery Total	0	25	290	259	259	609	725	2,142
	Growth Avoidance Total	0	25	290	259	259	609	725	2,142

Summary of Savings Proposals 2014-2015 – Income Generation									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reduction
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000
	Delivery								
0015	Internal Audit Services Income Generation	0	0	5	25	0	5	0	35
0091	Fees and Charges Review - Bereavement Services	0	0	240	50	50	50	50	440
0101	Revenues & Benefits Increase Charges for Liability Orders	0	0	130	15	15	15	15	190
0108	Council Tax Single Person Discount Review	0	0	120	0	0	0	0	120
0119	Improve collection rate for Council Tax	0	0	0	0	60	60	60	180
0128	Democratic Services Income Generation	0	0	0	0	0	0	10	10
	Delivery Total	0	0	495	90	125	130	135	975
	Income Generation Total	0	0	495	90	125	130	135	975

Summary of Savings Proposals 2014-2015 - Cut in Service									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reduction
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000
	Delivery								
0076	Review the use of organists at Bushbury Crematorium	0	0	15	0	0	0	0	15
0085	Revision to insurance programme	0	0	50	0	0	0	0	50
0109	Review of the Bereavement Advice Service (Non-Statutory)	0	2	0	40	0	0	0	40
0112	Revise Eligibility for the Local Council Tax Support Scheme	0	0	800	0	0	0	0	800
0114	Information and Communication Technology Service - Removal of Desktop Warranty Agreement	0	0	90	0	0	0	0	90

Summary of Savings Proposals 2014-2015 - Cut in Service									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reduction
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000
0120	Information and Communication Technology Service - Reduction in Telephone Lines	0	0	0	50	0	0	0	50
0123	Reduce cleaning hours by 10% across non-educational sites across the City	7	7	100	0	0	0	0	100
0133	Reduce the level of Discretionary Rate Relief	0	0	0	220	0	0	0	220
0138	Review the Function and Extent of the Mayoral Office	2	2	100	0	0	0	0	100
0139	Reduce the Number of Councillors	0	0	0	0	90	0	0	90
0140	Reduction in Temporary Polling Stations	0	0	0	5	0	0	0	5

Summary of Savings Proposals 2014-2015 - Cut in Service									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reduction
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000
0181	Grounds Maintenance West Area contract - Bring the Service back in-house	0	0	0	0	30	200	0	230
0194	Reduction in Trade Union Costs	0	0	0	50	0	0	0	50
	Delivery Total	9	11	1,155	365	120	200	0	1,840
	Office of the Chief Executive (OCE)								
0040	Research Activity Reduction	0	0	10	0	0	0	0	10
0046	Review use of software systems (TEN, Local Information System)	0	0	5	0	0	0	0	5
	Office of the Chief Executive (OCE) Total	0	0	15	0	0	0	0	15
	Cut in Service Total								