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CITY OF
WOLVERHAMPTON
C O U N C I L

Scrutiny Board Meeting

Tuesday, 13 December 2016

Dear Councillor

SCRUTINY BOARD - TUESDAY, 13TH DECEMBER, 2016

I am now able to enclose, for consideration at next Tuesday, 13th December, 2016 meeting of the Scrutiny Board, the following reports that were unavailable when the agenda was printed.

Agenda No	Item
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5	<u>Draft Budget 2017/18</u> (Pages 3 - 30)
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[Comments from the Adult and Safer City Scrutiny Panel, Children, Young People and Families Scrutiny Panel and the Vibrant and Sustainable City Scrutiny Panel.]

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Adults and Safer City Panel 06.12.2016

Budget Reduction and Income Generation Proposals by Cabinet Portfolio

Adults

Details	2017/18 £000	Comments
<p>Older People Assessment and Care Management – Promoting Independence Through an increased emphasis on systematically promoting the independence of service users there will be a reduction of expenditure on Adult Care Purchasing Budgets. This will include a range of initiatives including; the roll out of Promoting Independence/New Ways of Working across all teams, Reablement of Individuals to promote independent living skills, increased use of Telecare, introduction of a Discharge to Assess model from Hospital, introduction of the Family Group model in Customer Services to provide advice and information and on-going review of packages of care.</p>	<p>(1,100)</p>	<p>The Panel questioned what impact an overall reduction would have on the services being provided. The Cabinet Member for Adults stated that the overall goal was to promote independence.</p> <p>Officers confirmed that the savings focused on promoting independence enabling individuals to remain in their homes longer rather than having to enter residential care, along with better ways of working.</p> <p>The Panel raised concerns regarding the £13.5 million cuts that were being proposed across the Council at a time when there was a growing elderly population and that over half of the proposed cuts appeared to be coming out of budgets linked to vulnerable groups (adults and children). The Panel requested assurance that the correct balance had been achieved regarding the cuts. The Cabinet Member stated that growth had been added to the budget each year to help maintain the balance and address the demographic growth and the impact of National Living Wage. The Cabinet Member also</p>

Details	2017/18 £000	Comments
		<p>confirmed that checks and balances were in place along with the risk register.</p> <p>The Panel requested that this area of work be kept under review with updates being provided to Panel.</p> <p>Concerns were raised that there would be insufficient money to care for the increasing elderly population and in particular elderly women where an increase in dementia had been identified. The Panel agreed that a good relationship needed to be maintained with Age UK. Officers confirmed that they met with representatives from the Charity on a monthly basis.</p> <p>The Panel considered that there had been no additional funding for Social Services in the Autumn Statement and that money from the Government was crucial to keep the services running at an appropriate level.</p>
<p>Age UK Contract Review Age UK are already 90% self-financing and have confirmed that they are in the process of redesigning and commercialising the service in line with our expectations and will therefore maintain the current valued service without requiring on-going funding from</p>	<p>(48)</p>	<p>The Panel considered that this was a positive and that good relationship needed to be maintained with the Charity.</p>

Details	2017/18 £000	Comments
<p>the Council from April 2017. The provider has committed to continued regular engagement with the Council to evidence outcomes and service developments.</p>		
<p>Equipment Store Tender The recommissioning of the Council's equipment store in partnership with Wolverhampton Clinical Commissioning Group was agreed in July 2016. The service will be advertised with a reduced budget so the bidders will be required to submit costs based on a more streamlined and efficient service model.</p>	(150)	<p>The Panel had considered this at the previous meeting and were please that items of equipment were managed well in Wolverhampton and commended Officers on their hard work.</p>
<p>Transformation of the Emergency Duty Team The Emergency Duty Team (EDT) is currently under review for redesign. There is a current proposal to amalgamate the Emergency Duty function across the Black Country with two other Local Authorities; Dudley and Sandwell.</p> <p>The Emergency Duty Service covers a variety of tasks for Children and Adults. The budget across the three authorities is in excess of £1.2 million. This proposal will deliver efficiencies across the three authorities as well as addressing the cost pressure which was in the region of £185,000 in 2015/16.</p>	(100)	<p>Officers stated that the Council was working with partners from Sandwell and Dudley to create a more resilient team. No job losses had been highlighted at this point in time and that the detailed structure was currently being developed. The Panel requested that an update be brought back to the Panel once the new design had been established and before implementation.</p> <p>There were concerns expressed by the Panel in relation to having members on the emergency team who were based far outside of the area being serviced. Officers stated that the service was currently being designed and it was likely to be a</p>

Details	2017/18 £000	Comments
		mixed model with staff based both together and in separate locations depending on need.
<p>Disability and Mental Health – Promoting Independence</p> <p>The new delivery model across adult social care is called “Promoting Independence”.</p> <p>The model concentrates on keeping all individuals, whatever their needs, to remain as independent as is safely as possible.</p> <p>The key component to achieving the successful delivery of the model and to achieve the savings is to focus social work on specific areas of work such as shifting the balance from care home placement to supported living and to develop a shared approach with Health partners. Further savings can be achieved by concentrating on specific areas such as:</p> <p>* Section 117 Aftercare, The application of 117 under the Mental Health Act is the legal responsibility to provide aftercare following detention under the Mental Health Act. The share of funding across the Local Authority and NHS is under review;</p> <p>* An increased use of Telecare to help support more people safely in supported housing;</p>	(3,200)	<p>The Panel considered that some families would be reliant on continuing healthcare and that they could be the casualties of the budget cuts and find themselves moved between different mental health commissioners and the Council. The Panel expressed concerns that individuals with mental health illnesses could be expected to live independently but they really needed support that was holistic as at the moment providers would often not treat an underlying mental illness until the health problem such as alcoholism had been treated.</p> <p>The agreed that budget cuts could not be avoided but were concerned that mental health issues were not rated as highly as they should be by service providers and commissioners.</p> <p>The Panel considered that there needed to be one budget across health and social care with one direction as at the moment there were too many services involved. The Panel requested that this area of work be kept under review with updates being provided back to the Panel.</p>

Details	2017/18 £000	Comments
<ul style="list-style-type: none"> * Ensuring tight application of Continuing Health Care criteria; * A robust concentrated approach to resettlement across the whole service area, effectively commissioned; * Review of high cost packages, with a view to changing the service as appropriate; * Robust commissioning approach with providers. 		
<p>Housing related Support Service Redesign Housing related support contracts will be rationalised through a combination of contract redesign and merger of similar contracts. Efficiencies will be achieved through reducing overheads, realising economies of scale and reducing capacity to reflect utilisation.</p>	(237)	<p>This area had previously been known as supporting people and there was still the legacy of a budget. Officers confirmed that people were still receiving some low level support but that this was not a necessity given the current budgetary context.</p> <p>There was some concern that these services could create a level of dependency that could in fact be detrimental to the individual rather than supportive. Officers also confirmed that this was a service that the voluntary sector could provide as members stated that there were some individuals who would benefit from this support but would not be eligible for social care services.</p>

Financial Transactions and Base Budget Revision

Adults

Details	2017/18 £000	Comments
Omega Contract Review	(38)	Officers stated that this service was now being delivered in house with no additional resources. The Panel was pleased with this and there were no further comments.
Life Direct Contract Review	(149)	Officers stated that due to extremely low footfall in the drop in and welfare advice centre there had been a mutual agreement to terminate the contract early. The Panel were in agreement with this and there were no further comments.
Kaleidoscope Contract Review	(37)	This organisation provided low level mental health services and had recently been awarded lottery funding which was allowing it to continue to provide the same service but without any financial contribution from the Council. The Panel were in agreement with this and there were no further comments.

2017/18 Draft Budget Assumptions

Details	2017/18 £000	Comments
Budget Growth		
People Inflation Contingency – National Living Wage	1,146	No Panel Comments.
Demographic Growth – Adult Social Services Demography/Demand/Transition	1,000	No Panel Comments.

Children, Young People and Families Panel 07.12.16

**Budget Reduction and Income Generation Proposals by Cabinet Portfolio
Children and Young People**

Details	2017/18 £000	Comments
<p>Supervised Contact Efficiencies</p> <p>The number of looked after children has reduced from 807 in October 2014 to 627 as at the end of September 2016. This is a continuing and planned reduction brought about by effective management of the entry point, provision of Edge of Care Services and robust exit planning under the Children's Services transformation programme.</p> <p>Supervised contact provision is currently serviced through the Blakenhall Contact Centre. Due to the historic high and increasing demand of the Looked After Children Service additional provision was made through a £264,000 contract with a voluntary organisation (Spurgeons). This contract is currently funded until 31 March 2017. In addition the provision included funding for two additional FTE contact workers posts, which are now vacant.</p> <p>It is proposed to decommission the contracted activity and the two posts from the start of the financial year 2017/18 due to reduction in demand.</p>	<p>(264)</p>	<p>The Panel discussed the implications for children of the proposal to decommission the contract with Spurgeons (a voluntary organisation). Emma Bennett, Service Director Children and Young people, commented that as a result of the reduction in demand a decision had already been made to decommission the service. The Service Director reassured the Panel that if there was a change in level of demand for supervised contact that the service could be recommissioned.</p>

Details	2017/18 £000	Comments
<p>Children’s Transformation Inclusion Support Income Generation</p> <p>Inclusion Support comprises a range of services to promote successful inclusion and engagement of children and young people in education.</p> <p>In addition to the delivery of services which are either statutory responsibilities or linked to the Corporate Plan, the service also delivers traded services to schools and other organisations to undertake activities which are not part of the Council's statutory responsibilities or core business. The pricing for these traded services is set to enable full cost recovery but not to make a profit. Nevertheless, there is the potential to increase income generation, for two reasons. First, as traded work is usually at an earlier stage of intervention than statutory/core work, it means that increasing capacity in this area has the potential to reduce demand at a statutory level. Second, there are economies of scale to be achieved by growing traded services, which creates opportunities for efficiencies in the cost of service delivery.</p> <p>The proposal is to achieve an overall budget gain of £150,000 through increasing buy-in of traded Inclusion Support services.</p>	<p>(150)</p>	<p>The Panel discussed the proposals for delivering traded services to schools.</p> <p>There were no further comments.</p>

Details	2017/18 £000	Comments
<p>Youth Offending Team Efficiencies</p> <p>The proposal is to reduce the Youth Offending Team (YOT) budget by £100,000 by 2017/18. These savings will be found from two vacancies that exist on the YOT establishment and it is anticipated that with smarter and more agile working, the impact of these savings can be mitigated.</p>	<p>(100)</p>	<p>The Panel queried the decision to delete the vacant posts and the implications for the Youth Offending Team service which had rated as being high performing following an inspection. The Panel queried the nature of the roles that will be deleted. The Service Director advised the Panel that the vacancies had been held for some time and was confident that by changing working practices the effects of the decision could be mitigated.</p> <p>The Panel expressed concern about the decision as evidence suggested that that there had been no change in the demand for services provided by Youth Offending Team; which had been rated as being an exemplar in previous report presented to the Panel. The Panel requested a report be presented to a future meeting to demonstrate the savings had not had an impact on the services being provided by the team.</p>
<p>Children's Services Transformation</p> <p>The Children's Services Transformation Programme will continue to build on the significant changes made to date, through a number of projects across the service area in order to deliver a seamless, targeted approach to service</p>	<p>(2,500)</p>	<p>The Cabinet Member for Children & Young People explained that the reasons for the reduction in the number of looked after children (LAC) and the range of work done to build on previous progress aimed at reduced demand on specialist services.</p>

Details	2017/18 £000	Comments
<p>delivery. This will ensure services are offered at the earliest point, in order to reduce demand on specialist services, and effectively and efficiently improve outcomes for children and young people. A consequence of this programme will be the continued delivery of efficiencies across the service area.</p>		<p>The Cabinet Member for Children & Young People explained the reduction in the number LAC from a total of 800 (2014) to current figure of 627, supported by detailed financial modelling work gave her confidence that the service could achieve the budget target of £2.5 million. The Panel were advised that it costs the Council approximately £40,000 a week when a child is placed into care.</p> <p>The Service Director commented on the range of work being done to ensure that the right children are placed into care and other forms of targeted interventions used to support other children to remain with their families, where appropriate, as part of the transformation programme. The Service Director commented that a more targeted approach by the service will lead to change in the LAC profile.</p> <p>The Panel commented on the impact of proposals on the caseload for social workers and the work undertaken to monitor the situation. The Service Director reassured the Panel that the social worker caseload is regularly reviewed and additional resources will be provided if needed to meet changes in demand.</p> <p>The Service Director gave examples of different targeted interventions aimed at identifying families in</p>

Details	2017/18 £000	Comments
		<p>need of support as part of the Early Help Service offer to families. The Service Director advised that the plan is to provide more intensive support to families in a home setting at a much earlier stage with the aim that this will reduce the likelihood of a child requiring to being placed into care in the future.</p> <p>The Youth Council representative queried if the members of the Children in Care Council had been consulted about the budget proposals. The Service Director commented that the Children in Care Council had been consulted about the about wider service changes proposed in the budget report.</p>

Financial Transactions and Base Budget Revisions

Children and Young People

Details	2017/18 £000	Comments
Looked After Children – Removal of inflation pressures relating to foster payments	(170)	No Panel Comment.

2017/18 Draft Budget Assumptions

Details	2017/18 £000	Comments
Budget Growth		
People Demographic and Demand – Looked After Children; continued increase in numbers combined with the previous inflationary pressure relating to Foster Carers – linked to Financial Transaction and Base Budget Revision above.	170	No Panel Comment.

Vibrant and Sustainable City Panel 8.12.16

Budget Reduction and Income Generation Proposals by Cabinet Portfolio
City Housing and Assets

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Details	2017/18 £000	Comments
<p>Facilities Management As the hard and soft facilities management activities have been consolidated within the Corporate Landlord service delivery model there will be further opportunities to generate efficiency savings, as well as increased income generation. These will be identified through a customer-led review of services provided to the council and schools as well as external customers.</p>	(500)	<p>Tim Pritchard, Head of Corporate Landlord, introduced the savings proposal and explained that the aim was to get better value for money through improved efficiency, while trying to mitigate against the effects of the reduction in available resources.</p> <p>The Head of Corporate Landlord commented on the customer led review of services which involve conversations with business owners about their experiences of the services and also explain the impact of proposed changes. The aim is to deliver a better customer experience.</p> <p>The Head of Corporate Landlord was confident that the budget reduction target was realistic. It was agreed that the Panel would be updated with detailed proposals at a future meeting of the Panel.</p>
<p>Commercial Estate Income Through the implementation of the Strategic Asset Plan, effective data management and continuous challenge of the commercial portfolio, the</p>	(500)	<p>The Cabinet Member for City Environment commented on the reduction in letting times for void properties and congratulated staff at Wolverhampton Homes for the work done to reduce the time from</p>

Details	2017/18 £000	Comments
<p>following can be achieved: accelerated letting of new properties, additional income from former HRA (Housing Revenue Account) shops, reduction in rent arrears and increased recovery of bad debts, robust management and monitoring of void properties to minimise loss of income and recovery of service charges and to challenge/maximise and redefine the use of the Strategic Consultancy Partnership ensuring value for money in estate management.</p>		<p>60-70 days in the past, to an average of 15 days now. The improvement has increased the level of income. The same approach will be applied to the letting of commercial buildings with the aim of getting empty properties re-let more quickly. In addition, improvements have been made to the collection of bad debts in order to minimise the loss of income to the Council, for example, by agreeing repayment plans with residents and business owners to pay the bad debt.</p> <p>The Cabinet Member for City Environment commented on the success of Wolverhampton being among the top 20 Councils considered as being attractive to invest in by private sector developers and the interest in the area generated by regeneration work across the city. The Head of Corporate Landlord commented on the work being done to better align systems and processes using local intelligence and more effective management of the estate - including where necessary the disposal of properties.</p>
<p>Corporate Landlord Review Phase 2 Detailed reviews undertaken into service areas within Corporate Landlord, as part of a wider service development plan, indicate additional savings may be</p>	<p>(100)</p>	<p>The Cabinet Member for City Environment explained the reasons for deleting the vacant posts in the service. The Head of Corporate Landlord was confident that the budget reduction figure was</p>

Details	2017/18 £000	Comments
<p>available by removing current vacant posts. These reviews are supported by officers in Procurement, Business Change and Transformation and will ensure staff structures remain relevant and efficient to deliver the Corporate Landlord service delivery model. It is anticipated that improvements in processes, systems and centralised data will ensure that any post reductions are viable and without risk.</p>		<p>achievable.</p>
<p>Review of Homelessness & Tenancy Sustainment Services To improve the customer journey for homeless applicants and people at risk of homelessness through the redesign of front-line housing functions. The proposals will also strengthen the Council's strategic housing function enabling it to respond to the increasing level of street homelessness, benefit changes and pressures on council and other affordable housing, through effective strategies and commissioning.</p>	<p>(100)</p>	<p>The Cabinet Member for City Environment commented on the work done to improve the help available to homeless applicants and considered that Wolverhampton is performing better in this area compared to neighbouring authorities. The Cabinet Member for City Environment commented on the opportunities to work with Wolverhampton Homes to look at how existing support services can be delivered in a different way.</p>

City Environment

Details	2017/18 £000	Comments
<p>Reduce Leisure subsidy To reduce the subsidy of the leisure facilities operated by WV Active by a further £500,000. This will be enabled by targets for increasing membership, reviewing all club hire agreements and of all current activities, together with the introduction of new activities and maximising income generation opportunities. This will be supported by the continued transformation of WV Active, focussing on the customer journey and improving the whole customer experience.</p>	<p>(500)</p>	<p>The Cabinet Member for City Environment commented on the transformation of the leisure offer available in Wolverhampton and the investment in new facilities and equipment to offer a better customer experience.</p> <p>The Cabinet Member for City Environment also commented on the increase in membership to 6,200 and the introduction of WV Active app, as examples of the success of the service and rebranding work.</p> <p>This proposal will build on this success and with other planned changes in the future the service will no longer need a subsidy.</p> <p>One member of the Panel expressed concern about the level of budget reduction proposed and suggested that a lower figure should be set, for example £350,000 as a more realistic figure. However, the wider Panel instead sought assurances that the target was achievable. Lisa Taylor, Head of Service The Hub, commented that the WV Active target is realistic as current prices and the quality of the offer is very competitive.</p>

Details	2017/18 £000	Comments
		<p>The Head of Service gave examples of changes to timetabling of session, the introduction of taster sessions, and the popularity of events held at Aldersley Leisure Centre as evidence. The Head of Service accepted that the reduction in the level of subsidy would be a challenge to meet for the service but was confident with a growing membership and other planned changes, for example, the promotion of offers aimed at people under 16 would ensure that the savings target will be met,. The Head of Service explained that the service has a stretch target to increase membership to 8000. The Panel requested that progress against this target is reported in a future Vibrant and Sustainable City Panel meeting.</p>
<p>Review of Waste & Recycling In view of a government grant ending from April 2017, and subject to consultation, the proposal aims to reduce the cost of the kerbside waste collection service. The main areas of focus are:-</p> <ul style="list-style-type: none"> - frequency of collections - feasibility of continuing a food waste collection service - potential of charging for the collection of garden waste - bin types, colours, usage. 	<p>(600)</p>	<p>The Panel agreed to consider the budget savings proposals following the presentation about the waste management strategy.</p> <p>[The proposals relating to reconfiguration of waste and recycling was discussed further as part of a separate discussion paper (Waste Management Strategy Consultation) which was also presented to this Panel]</p>

Details	2017/18 £000	Comments
<p>The final proposals for a revised service will take the findings of a comprehensive public consultation and an Equalities Analysis into account.</p> <p>Any changes to the current service could be implemented on a phased basis from April 2017 onwards. This is dependent on both the consultation and negotiations with the current provider.</p> <p>Transition from the existing service to a new service will require the establishment of a project team to implement the new arrangements and deliver the public communications required to advise residents of the changes. Investment in new bins may also be necessary.</p>		
<p>Environmental Service Efficiencies A comprehensive review will be undertaken of all environmental service functions including parking services, highway maintenance, pest control, parks activities and Bereavement Services in order to identify budget reduction and income generation opportunities. These proposals are likely to impact upon current maintenance standards across these key front line services by reducing frequencies of maintenance and, in some cases, ceasing some maintenance activities completely, although mitigation will be considered by utilising more effective data to revise current working</p>	<p>(500)</p>	<p>The Panel commented that this proposals affect important frontline services and it was critical that any changes are communicated effectively by the Council</p> <p>The Cabinet Member for City Environment reassured the Panel that the proposals would not involve a reduction in the frequency of grounds maintenance or the street cleansing service.</p> <p>The Cabinet Member for City Environment explained the proposals will look how the grass services</p>

Details	2017/18 £000	Comments
<p>patterns and practices, however, we are not reviewing the frequency of the grounds maintenance and street cleansing services.</p>		<p>provided the Council and Wolverhampton Homes could be better used to reduce costs, particularly where it involves the maintenance of shared grass areas. The aim of the changes was for both services to work better together.</p> <p>The Panel expressed concern about implications of budget reductions on highway maintenance and the impact on response times of 3-4 weeks in dealing with requests from the public to deal with pest complaints. The Cabinet Member for City Environment reassured the Panel that the Council was continuing to investing in proper resurfacing of roads rather than repairing pot-holes to provide more cost effective solution. The Cabinet Member for City Environment explained that the provision of pest control is a service that will continue to be offered, however there are discussions about the level of public contribution.</p>
<p>Review of Transport/Fleet An external review has been undertaken of the operation of the Council`s vehicle workshops and passenger transport fleet, including staff travel. It has identified potential efficiency savings through reduced staff travel costs, reduction in the size of the Council`s vehicle fleet, a reduction in external vehicle hire together</p>	<p>(500)</p>	<p>No Panel Comments</p>

Details	2017/18 £000	Comments
with improved parts and spares procurement. As well as efficiency savings, some of the savings will be delivered through reducing the demand for services in line with our strategy to promote independence.		
<p>Highways Management Use of surplus generated in 2015/16 and to introduce the planned third phase of bus lane enforcement.</p>	(750)	No Panel Comments
<p>Active Management of Car Park Usage To review car parks in the City by increasing the turnover of spaces. This will encourage motorists to adopt short term parking throughout the day. In turn this should discourage long term commuter parking, and maintain sufficient spaces for shoppers.</p>	(200)	<p>The Cabinet Member for City Environment commented that the Council has a number of car parks that it manages across the city. The majority of city centre parks are however managed by private companies. This budget reduction and income generation proposal will consider car parks at the edge of the city and how we can make better use of them and options that will generate income. For example, moving from a flat rate car park fee to a different charging structure to reflect their use by drivers wanting to park for the day. It was agreed that a paper setting out more details will be presented to this Panel in due course.</p>
<p>Savings in Regulatory Services through Agile Working</p>	(100)	<p>The Cabinet Member for City Environment commented that the introduction of new technology</p>

Details	2017/18 £000	Comments
<p>Delivery of efficiencies associated with the implementation of agile working techniques and methods within the City Environment; Public Protection (Formerly Regulatory Services) Service.</p>		<p>and changes in working practices gives opportunities to deliver regulatory services in a different way.</p> <p>The Cabinet Member for City Environment advised the Panel the contract for Kingdom Security Ltd had been extended. The Panel expressed concerns about the working practices of Kingdom Security Ltd in some areas of the city. The Panel were advised that representatives of Kingdom Security Ltd have been invited to attend to give evidence to future meeting.</p>
<p>Develop Commercial Opportunity for use of Existing Facilities at Northcote Farm This proposal involves the creation of a facility suitable for (amongst other things) the holding of post-funeral wakes following a cremation or burial at Bushbury Crematorium. The savings target of £100,000 is based upon predicted income levels.</p>	<p>(100)</p>	<p>The Chair commented that there is a need to consult with local residents and users of the facility about the proposals being considered and also how this will be communicated. The Cabinet Member for City Environment explained there was need to look at what could be done to increase visitor numbers and to build on its popularity. The existing facilities will need to be improved as they are currently limited.</p>

Financial Transactions and Base Budget Revisions

City Housing and Assets

Details	2017/18 £000	Comments
Utilities and Rates from surplus/disposed buildings	(400)	No Panel Comments
Removal of inflationary allocation for Carbon Reduction Commitment	(31)	No Panel Comments
Adjustment to assumptions regarding Council Tax growth in base	(211)	No Panel Comments
Adjustment to assumptions regarding New Homes Bonus growth	(150)	No Panel Comments

City Environment

Details	2017/18 £000	Comments
Removal of Inflationary allocation for Landfill Tax	(144)	No Panel Comments

2017/18 Draft Budget Assumptions

Details	2017/18 £000	Comments
Budget Growth		
Inflationary Pressure – Waste Management Partnership	164	No Panel Comments
Inflationary Pressure – Waste Disposal Contract	142	No Panel Comments

Details	2017/18 £000	Comments
Inflationary Pressure - Grounds maintenance and street scene budgets for South West Contract	73	No Panel Comments
Inflationary Pressure – Carbon Reduction Commitment – linked to Financial Transaction and Base Budget Revision above.	31	No Panel Comments
Inflationary Pressure – Supplementary increase in Landfill Tax announced by the Government – linked to Financial Transaction and Base Budget Revision above.	144	No Panel Comments
Inflationary Pressure –Leisure PFI costs are anticipated to rise in line with energy costs nationally.	90	No Panel Comments

General Comments

The Chair to the Panel made a general comment about that the lack of detail in the report about the implications or options being considered to achieve the target figure for budget reduction or income generation proposals. As a result it was difficult to make detailed comments on the proposals. The Cabinet Member for City Environment explained that more information on specific proposals can be provided if needed.

2017/18 BUDGET SAVINGS TO BE PRESENTED TO CABINET AWAY DAY

Councillor Bilson

Corporate Landlord

Facilities Management	£500,000
<p>As the hard and soft facilities management activities have been consolidated within the Corporate Landlord service delivery model there will be further opportunities to generate efficiency savings as well as increased income generation. These will be identified through a customer led review of services provided to council and schools as well as external customers. For example:</p>	
<ul style="list-style-type: none"> • Further 10% saving across cleaning budgets for public buildings £100k • Increased income for cleaning services to external customers £20k • Reduction in food costs and catering support services £50k • Introduction of shared costs for Community Associations (paper to SEB based on a 50/50 split of costs and subject to sensitivity assessment to ensure viability for CA's and review of lease agreements) £50k • Review of existing hard FM contract arrangements for works £250k • Review of support services £30k 	
<p>The above provide the context to projected savings/income targets yet they may vary between work areas as the outcomes of the reviews are completed. An impact assessment will ensure risks are managed to ensure service continuity and statutory compliance.</p>	
<ul style="list-style-type: none"> • 10% saving across cleaning of council's operational assets: the service has reduced by 10% for each of the last 3 years and to achieve a further 10% will primarily be as a result of closure of buildings as part of the Strategic Asset Planning process. Any reduction in staff resources will be accommodated predominantly through lower levels of agency staff. Additional savings may also be identified from cleaning regimes for public toilets also under review. • Increased income for cleaning services to schools, Wolverhampton Homes and other external customers: the hourly charge-out rate for cleaning services for schools and other external customers will increase in 2017/18 thereby increasing income levels. • Reduction in food costs and catering support services: re-procurement of food supply contracts has identified a potential saving of £20k for 2016/17. • Community Associations – subject to SEB approval, initial indications indicate a potential saving of around £80k per annum on a 50/50 split of charges between CAs and CWC. • Hard contract arrangements – work is on-going with corporate procurement in relation to all Hard FM contracts with a view to generate additional efficiency savings both in the costs of works as well as management charges. 	

Commercial Estate	£250,000
<p>A number of key work streams is in the process of being developed and commissioned (subject to business case) to ensure the asset portfolio is</p>	

performing to its optimum capability: The key areas that are to be addressed are as follows and will facilitate the achievement of this £250,00 saving target:

- Development and implementation of a Strategic Asset Plan to inform which assets CWC will need going forwards taking into account investment requirements, service requirements and income generation opportunities. The plan will set a clear direction for implementation of asset management and provide a link with other relevant documents, such as corporate objectives, business planning, risk management and property and service objectives.
- The Council currently does not have a clear understanding of its investment portfolio, challenging the reasons to why individual buildings are held and whether returns are being maximised. A review of this area will help the Council to focus investment priorities and dispose of property which is not worthwhile to retain.
- Production of a Disposal and Acquisition Strategy: There are opportunities for CWC to expand the commercial / investment property portfolio to provide new revenue income streams as well as dispose of the assets that are no longer fit for purpose.
- Identification of opportunities to more effectively manage the commercial estate, in particular leasing and licencing arrangements and establishment of market-led service charges.
- Identify potential for additional income from housing shops (towards stretch target);
- Reduction in rent arrears and increased recovery of bad debts. The roles and responsibilities for rent collection and recovery is to be reviewed and made clear, and a process for debt monitoring, collection and recovery put in place.
- Analysis of asset utilisation resulting in rationalisation, co-location, investment and disposal proposals. Links to the One Public Estate agenda.
- Undertake lifecycle appraisals to accurately reflect/inform whole-life capital and revenue support costs (via Corporate Asset Management Fund) to reduced/more effectively focus response maintenance.
- Review of the corporate property database to set the baseline and identify any gaps in processes and information. This will result in an accelerated action plan being produced ensuring consistency, a full understanding of the asset portfolio and enabling robust analysis. The availability of accurate property data is vital if the Council is to not only manage its portfolio effectively on a day-to-day basis but also to make informed strategic decisions.

Potential stretch target:

- Identify additional income from housing shops: The housing shops have recently been appropriated from the Housing Revenue Account (HRA) to the General Fund and managed by the Estates Team, Corporate Landlord. The current income target is lower than the actual projected income and therefore subject to further analysis and discussion with Finance there could be an additional saving to be made of circa £250 000.

Utility and Business Rates Savings from Surplus/Disposed/ Vacant Buildings	£400,000
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The ongoing review of all property will identify savings in energy consumption and utility costs and charges. This will include a review of rates as well as consumption aligned to the council's disposals strategy for surplus assets and be informed by:

- reduced business rate costs resulting from identification and disposal of surplus assets and management of void properties.
- reduced energy and utility costs resulting from identification and disposal of surplus assets;
- gas and electricity utility billing audits and use of smart metering;
- energy assessments to identify measures for poorly performing buildings;
- energy management schemes to reduce consumption and therefore purchase of allowances under the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme;
- relevant and viable options for an Energy Services Company (ESCO). A feasibility is currently being undertaken by the Local Government Improvement Unit (LGIU) and the final report is due end of September/early October 2016;
- review of the council's Energy Fund aimed at invest-to-save initiatives energy efficiency measures to reduce carbon emissions or water consumption.
- potential to commission a third party to identify income generation opportunities from the Gainshare water efficiency third party revolving fund.

These schemes or initiatives extend across the council's operational and commercial estate, the schools portfolio as well as links to similar initiatives under consideration within Wolverhampton Homes.

A Senior Energy Officer has been appointed and will start in December 2016. This post holder will lead on a review of the above energy management initiatives with a view to developing an overarching strategy and action plan.

Potential stretch target:

- Reduction in allocations for growth in CRC allocations: Since the commencement of the CRC Scheme the Council has slightly underspent against the allocated budget. Consequently, there is potential to remove the proposed growth in the CRC budget for 17/18 which is £31 000.

Corporate Landlord Review Phase 2	£100,000
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Detailed reviews undertaken into service areas within Corporate Landlord, as part a wider service development plan, suggest additional savings may be available from vacant posts remaining in the structure. These reviews are supported by officers in procurement, business change and transformation and will ensure staff structures remain relevant and efficient to deliver the Corporate Landlord service delivery model. It is anticipated improvements in processes, systems and centralised data will ensure any post reductions are viable and without risk. The reviews have now been aligned as well as explicitly linked to the outcome based planning process.

Market forces are impacting on the ability to attract appropriately experienced, skilled and qualified staff to vacant posts that are critical to the further development and embedding of the Corporate Landlord service delivery model. As a consequence, there is currently a reliance on interim and agency workers that, due to elevated costs, are placing pressure on achieving this saving. A review of existing structures is being undertaken to consider different ways to fulfil these roles in a more economic and sustainable manner and therefore reduce costs. This may include developing existing staff into new roles as well as looking for strategic partners to undertake distinct packages of work as detailed above.