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CITY OF  
WOLVERHAMPTON  
COUNCIL

# Scrutiny Board Meeting

Tuesday, 5 December 2017

Dear Councillor

## SCRUTINY BOARD - TUESDAY, 5TH DECEMBER, 2017

I am now able to enclose, for consideration at next Tuesday, 5th December, 2017 meeting of the Scrutiny Board, the following reports that were unavailable when the agenda was printed.

### Agenda No    Item

- 5    **Draft Budget and Medium Term Financial Strategy 2018-2019 - 2019-2020 (report to follow) (Pages 3 - 22)**

[To consider the draft budget and medium term financial strategy for 2018/19 to 2019/20 and to provide feedback for the Scrutiny Board to consider]

If you have any queries about this meeting, please contact the democratic support team:

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<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020	
<b>Cabinet member with lead responsibility</b>	Councillor Roger Lawrence Leader of the Council	
	Councillor Andrew Johnson Resources	
<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	Director of Finance
	Tel	01902 550478
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<b>Report to be/has been considered by</b>	Strategic Executive Board	3 October 2017
	Cabinet	18 October 2017
	Children, Young People and Families Scrutiny Panel	1 November 2017
	Adults and Safer City Scrutiny Panel	7 November 2017
	Health Scrutiny Panel	16 November 2017
	Stronger City Economy Scrutiny Panel	21 November 2017
	Confident Capable Council Scrutiny Panel	22 November 2017
	Vibrant and Sustainable City Scrutiny Panel	23 November 2017

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**Recommendation(s) for action or decision:**

The Scrutiny Board is recommended to:

1. Review the comments of each Scrutiny Panel and provide further feedback to Cabinet on the Draft Budget and Medium Term Financial Strategy 2018-2019.

## 1. Purpose

- 1.1. The purpose of this report is to seek Scrutiny Board's feedback on the Draft Budget and Medium Term Financial Strategy 2018-2019 that was approved as the basis of consultation by Cabinet on 18 October 2017.

## 2. Background

- 2.1. At its meeting on 18 October 2017, Cabinet considered a Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020 as the basis of budget consultation and scrutiny over forthcoming months.
- 2.2. The Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020 has been considered by all Scrutiny Panels during November. The feedback from each scrutiny panel is included in Appendices A to F. This feedback along with further comments received at Scrutiny Board on 5 December will be sent as a formal response to Cabinet (Resources) Panel on 16 January 2018.
- 2.3. If there are substantial changes or recommendations of the Scrutiny Board are not accepted, then the Scrutiny Board will consider the budget again in January 2018, following an update to Cabinet (Resources) Panel on the Local Government Finance Settlement, which is scheduled for 16 January 2018.
- 2.4. If there are no changes to proposals considered by Scrutiny, the outcome of this Board meeting will be incorporated into the final Cabinet budget report, scheduled for February 2018, ahead of Full Council considering the budget in March 2018.
- 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. Board members are instead requested to bring their copy of the Draft Budget and Medium Term Financial Strategy 2018-2018 to 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/budgetsavings>

## 3. Budget Proposals

- 3.1. Comments from each of the Scrutiny Panel is included at
  1. Appendix A - Children, Young People and Families Scrutiny Panel
  2. Appendix B - Adults and Safer City Scrutiny Panel
  3. Appendix C - Health Scrutiny Panel
  4. Appendix D - Stronger City Economy Scrutiny Panel
  5. Appendix E - Confident Capable Council Scrutiny Panel
  6. Appendix F - Vibrant and Sustainable City Scrutiny Panel

- 3.2. The Board is requested to review the comments and further scrutinise Draft Budget and MTFs 2018-2019 to 2019-2020 for submission to Cabinet.
  - 3.3. In addition to comment on investment in services and proposals, the Board may also request additional information or clarification. Any such requests will be noted separately, either for consideration by the Board or a Scrutiny Panel at a future date, or for information to be forwarded to the panel members concerned.
- 4. Evaluation of alternative options:**
- 4.1 If we were to not implement the budget strategy as proposed in this report, alternative options would be required in order to set a balanced budget in 2018-2019. This may therefore potentially impact upon service provision.
- 5. Reasons for decisions(s):**
- 5.1 The Scrutiny Board and six Scrutiny Panels support the work of the Cabinet and the Council as a whole. They allow citizens to have a greater say in Council matters by enquiring into matters of local concern. These lead to reports and recommendations which advise the Cabinet and the Council as a whole on its policies, budget and service delivery. Therefore, Scrutiny Board is recommended to review the comments of each Scrutiny Panel and provide further feedback to Cabinet on the Draft Budget and Medium Term Financial Strategy 2018-2019.
- 6. Financial implications**
- 6.1 The financial implications are discussed in the body of the report, and in the report to Cabinet. Should any of these proposals and options not be delivered the projected budget deficit will increase by an equivalent sum and alternative budget reductions and income generation proposals will have to be identified.  
[MH/30112017/V]
- 7. Legal implications**
- 7.1 Legal implications are discussed in the report to Cabinet.  
[TS/30112017/R]
- 8. Equalities implications**
- 8.1 Under the Equality Act 2010, the council has a statutory duty to pay due regard to the impact of how it carries out its business on different groups of people. This is designed to help the Council identify the particular needs of different groups and reduce the likelihood of discrimination. An equality analysis screening has been conducted on each proposal, and fuller equality analysis will be conducted where appropriate. Further equalities implications are discussed in the report to Cabinet.

**9. Environmental implications**

- 9.1 Environmental implications will be addressed on a case by case basis as part of individual savings proposals.

**10. Human resources implications**

- 10.1 Human resource implications are discussed in the report to Cabinet.

**11. Schedule of background papers**

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

Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020, reported to:

Children, Young People and Families Scrutiny Panel	1 November 2017
Adults and Safer City Scrutiny Panel	7 November 2017
Health Scrutiny Panel	16 November 2017
Stronger City Economy Scrutiny Panel	21 November 2017
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**Children, Young People and Families Scrutiny Panel – 1 November 2017  
Draft Budget and Medium Term Financial Strategy Minutes**

Cabinet in October 2017 were presented with the Draft Budget and Medium Term Financial Strategy for 2018-2019 which enables the council to set a balance budget.

There are no new specific budget reduction proposals that fall in the remit of this panel.

There had been four evening consultation meetings with public and breakfast meetings with businesses along with an online and paper survey.

In Paragraph 3 it was noted that the significant existing budget reduction targets of £3.75 million related to looked after children. The children's transformation programme had been implemented and sought to reduce demand on specialist services by safely preventing family breakdowns. Significant progress had now been made and nationally the numbers of looked after children were increasing but the numbers were remaining level in Wolverhampton. It was important to try to ensure that children remained with their families safely.

The panel noted sections 4.1.6 of the report which highlighted a potential overspend and a number of actions regarding how to reduce deficit.

There were a significant number of young people in care and a young people's pilot team had been set up to try and help keep them remain at home safely.

Officers stated that they were also reviewing the Multi Agency Safeguarding Hub (MASH) and would looking for more cost-effective placements where possible. Officers would also be looking to recruit in-house foster parents.

The Director for Education stated that the Education Department had delivered savings over the last few years but due to increased demand there was an overspend. The Director stated that the dedicated schools grant was ring fenced and there was core funding but that there were some implications due to having to place some children out of the city. The Schools Forum had agreed to retrospectively fund some of this. Officers were looking at the strategy to ensure that children's needs were being met locally. This was linked to funding more places in the city and having services in the city to cut down on transport costs.

The Panel commented on the previous overspend in 25 July and queried what the situation was now. Officers confirmed that there was still some overspend but over the summer there had been a piece of work looking across the whole of Children Services and a recovery plan put in place to consider how the Council could mitigate against risks. At the moment, it was estimated that there could be £700,000 of efficiencies in 2017-2018 and further work currently being carried out as shown in the list under section 4.1.6.

The panel requested further clarification of the education savings.

## Appendix A

The Director for Education stated that the Council was seeking to reduce the number of children who had to be educated outside of the city and the knock-on transport costs of this. The Council was also looking at the services we trade with schools to ensure that we are bringing in the right income. The Director for Education stated that in some cases the needs of a child might be so complex that the city could not meet them and that it was often costly to place the child outside of the city.

Members referred to pages 7 and 8 of the report where it referred to reducing agency social workers, members queried how many agency staff the Council had and at what stage it was decided to make an agency worker permanent.

It was confirmed that in children's social care there were 31 agency workers (most of these were against vacancies or maternity leave or sickness) and that these staff could be made permanent if they decided to apply for a job, there was an ongoing recruitment campaign and constant advert out. There was also a robust recruitment offer and officers had reviewed the relocation package the previous year. It was also noted that there was a West Midlands agenda protocol so there were capped rates for agency workers which had helped with recruitment.

The panel voiced some concerns in relation to the review of the MASH and the use of updated thresholds. Officers stated that there were looking at how the MASH made decisions and that they had refreshed the thresholds documents to tightened up on areas such as escalation, consent and responses to cases. The panel also noted that in most cases regarding agency social workers agencies tended to pay more money which unfortunately undercut the efforts of Local Authorities.

The panel queried how the Council were looking to redress the overspend on transport and requested an assurance that there would not be changes in access criteria.

Officers agreed that yes school transport considerations were often hard decisions. The Council was not looking at moving any thresholds and that the transport policy had not changed. Officers were however looking at having more conversations with parents and emphasising the need to promote and support independence as young people over time needed to be able to transport themselves and this could often come down to confidence. This was linked to the other objective of trying to have more children placed in the City.

Officers stated that a lot of work had been done looking at behaviours and overriding need including encouraging independence. The Council had a moral duty to ensure that if a child with Special Education Needs (SEN) could get to school on their own then they should as in the future this would give them more confidence to go to college and on and on. This was a well-regarded service at the moment but needed more emphasis on whether transport was the right choice, was it necessary, will requirements change as the child gets older etc. Members considered that resources needed to be in place to help with the transition for people with learning disabilities to help show them what to do, how to catch a bus etc.



## Appendix A

The Panel requested information regarding the number of children accessing higher education, The Director for Education confirmed that she would send this information out to the Panel members.

**Resolved:**

Recommendations Approved

**Adults and Safer City Scrutiny Panel - 7 November 2017  
Draft Budget and Medium Term Financial Strategy Minutes**

Finance Business Partner (People), introduced the report and outlined key aspects of the draft budget proposals for 2018-2019 and the consultation timetable. The panel were advised that there were no new budget savings proposals that relate to its remit.

The panel were invited to comment on the budget reduction proposals previously presented.

The panel queried the reference in the report to Older People Promoting Independence project and the increase in the number of reviews. The panel queried how this work would be affected by budget savings proposals. The panel also queried if a person's care needs would be re-assessed in the future, if the level of support was reduced following an assessment.

Director of Adults Services, advised the panel that when a person's needs would be monitored and if the needs change then they will be re-assessed. The Director of Adults Services added that in some circumstances a review of a person's needs could lead to an increase in the level of care provided. The Director of Adults Services advised the panel that 73% of cases reviewed resulted in no change in the level of support following an assessment.

The Director of Adults Services commented on the headline Government announcement of an extra £2 billion for adult social care, but advised the panel this was not recurring funding and the amount would be reduced annually. As a result, the Council had to consider how best to use the money and also respond to the challenge in meeting national priority of Department of Health to reduce the number of delayed transfers of care, and changes in local needs.

The Director of Adults Services added that the Government had planned to publish a green paper setting out plans to create a more sustainable financial model in response to concerns that the level of funding was not enough to meet demand. However, the timetable for publication had been delayed and no date has been set when Government will publish its proposals.

The panel expressed concern about the risk to people either living alone or limited family support experiencing financial hardship, as a result of changes in the welfare benefit rules. The Director of Adults Services advised the panel about the work of the welfare rights team who can offer support to people wanting to challenge decisions about their benefits. The panel were advised that the team had been very successful in challenging decisions at appeal hearings.

The panel discussed the quality of care given to residents and wanted assurance about the checks done that the level of care expected is being delivered. The Director of Adults Services commented that Quality Assurance Team carry out quality monitoring of the social care market to assess standards.

The Director of Adults Services commented that as alternative way of people taking control of the service received was to consider personal budgets which would give more control of the services provided.

## Appendix B

The panel queried the work being done to check that the Council is getting value for money from the services that are commissioned. The Director of Adults Services commented on the commissioning process and work done to deliver more efficient care services.

### **Resolved:**

The panel comments on the Draft Budget and Medium Term Financial Strategy to be submitted to Scrutiny Board.

**Health Scrutiny Panel - 16 November 2017  
Draft Budget and Medium Term Financial Strategy Minutes**

Finance Business Partner (People), introduced the draft budget report 2018-2019. The panel members comments would be consolidated with comments from other panels and presented to Scrutiny Board to agree a final draft response that would be presented to Cabinet.

The Finance Business Partner (People) invited panel members to also comment on the approach to the budget consultation process. The Finance Business Partner (People) outlined the plans to identify £14.8 million of budget reductions and income generation to address the projected deficit in 2018-2019. The Finance Business Partner (People) added that a series of public meetings were arranged to explain the budget proposals and to invite comments. The members of the public also had the opportunity to submit comments online.

The Finance Business Partner (People) explained that there were no new savings proposals that fell within the remit of the Health Scrutiny Panel detailed in the draft budget report. The Finance Business Partner (People) briefed the panel on the planned reduction in the public health grant for 2018-2019 and that further reductions in the grant were expected. The public health grant is currently awarded as a ring-fenced payment from the Department of Health. The Finance Business Partner (People) explained that an overspend of £376,000 for Public Health for 2017-2018 was predicted at quarter on in order to address the recurrent budget pressures and review was being undertaken across Public Health including a restructure and commissioned services. A report will be presented to Cabinet on 29 November 2017 on findings of a review of commissioned services delivered by Public Health with recommendations for new priorities for the service.

Director of Public Health, outlined plans for restructuring of the public health service and the vision for promoting the development of a public health focused organisation in the future. The Director of Public Health commented on the contribution of the policies and financial resources of other Council departments in contributing towards improving public and well-being and the change in the role of a restructured service from funding a number of traditional services, such as stop smoking, to looking at the factors that impact on the health of the local population and which encourage healthier life choices.

The panel requested that it would be useful to have information about quality of life, measures such as breastfeeding rates, to provide evidence to be able to assess the impact of the policies. The Director of Public Health explained that there was a public health outcome framework and agreed to present the information to a future meeting for panel. The Director of Public Health explained that the new approach was focused on achieving lasting behaviour change and improving current health measures.

## Appendix C

The panel queried the plans to achieve a balanced budget for public health service, given the overspend and the use of £1.7million reserves. The Finance Business Partner (People) explained that a financial recovery plan for quarter one has been developed to bring the budget back into balance. The panel were advised that public health service would not be required to repay the funding allocated from reserve for 2017-2018.

The panel queried if a feasibility study had been taken on the changes outlined for changing the priorities of the service and the restructure of the workforce to deliver the new programme of work. The Director of Public Health commented that current approach was not delivering sustained changes in health outcomes and that it was important to recognise the impact of environment and importance of employment in helping to deliver better results. The Director of Public Health added that the new approach was aimed at building resilience among the population.

The panel queried the public response to the consultation events. The Finance Business Partner (People) responded that the events were widely publicised but public response had been lower than in previous years.

The panel discussed performance indicators for public health. The Director of Public Health agreed to present information to show how the performance of Wolverhampton compares statistically against national averages to a future meeting.

### **Resolved:**

The panel agreed to receive a report from the Director of Public Health to detail the performance of Wolverhampton against national indicators to a future meeting of the panel.

**Stronger City Economy Scrutiny Panel – 21 November 2017  
Draft Budget and Medium Term Financial Strategy Minutes**

The Finance Business Partner (Place) presented a report on the Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020. The purpose of the report was to seek the Panel's feedback on the Draft Budget 2018-2019, that had been approved by Cabinet to proceed to formal consultation and scrutiny stages. The panel's feedback was also sought on the approach to budget consultation and key budget reduction proposals that were built into the Council's Medium Term Financial Strategy. There was currently no new savings proposed in the service area for 2018-2019.

The Service Director for City Economy stated there were two parts to the financial strategy in City Economy. The first being how the service area used the mainline budget given by the Council, which was relatively small compared to some places and the second, how it secured external funding which formed a large proportion of the overall funding. The inclusive growth work carried out by the service area created the base for the finance the Council held through the business rates and tax. The City Economy Service had already achieved budget reductions. The Council had been very successful in achieving external resources to fund business support and enterprise. The small team had doubled in size as a consequence. The finance for this had come principally from Central Government and European Structural Funds. The Council had applied for an extension bid to secure more finance for the team. The Council was positioning itself to be a leader in the Black Country in business support and enterprise. When the industrial strategy funds came through the Council would be well placed to continue work in this area, which was the foundation for having a good tax base.

The Service Director for City Economy stated that the City Development Team worked in a similar way and it was a small team undertaking capital projects. They were mainly trying to secure the private sector to complete these projects rather than the Council directly. They did however do a number of projects where there was a gap between them being viable for the private sector. An essential part of their work was to secure funding from the LEP (Local Enterprise Partnership), the West Midlands Combined Authority and other sources. The Council's investment into Wolves@Work and the Partnership the Council had with the DWP (Department for Work and Pensions) was beginning to pay dividends in the number of people gaining employment and the support that was offered them in the initial stages of employment.

The Service Director for City Economy stated that in the Cultural Visitor Economy, the service area was proud that they had secured Arts Council funding for the next four years. Wolverhampton Council was one of the very few places to get an increase in their funding. The Arts Council had been particularly impressed with the Literature Festival which the Council had started. Capital and revenue funding had been secured from the Arts Council. The overall strategy was about ensuring that everything the Council undertook delivered as many benefits as possible, rather than approaching projects as silos. The strategy was also about promotion, facilitation and planning for the City which was important to securing investment in the longer term. In conclusion, the strategy focused on bringing resources into the City when the Council was having to reduce its own.

## Appendix D

A panel member stated that there was an impressive story to tell in Wolverhampton. The Council knew their strengths and weaknesses and had been able to continue to develop the City. One of the Council's great strengths had been its ability to keep its cultural venues open compared to some neighbouring authorities which had closed theirs. The Council put great value in their cultural assets. Dudley had shut their Museum, Walsall now had concerns over their museum and art gallery and had shut libraries. The majority of Wolverhampton Libraries had remained open in recent times, which was a credit to the authority. He desired further development at Northcote Farm to raise income and help balance the books. They requested a meeting with the Service Director for City Economy to discuss the issue.

A panel member stated that he couldn't find any major flaws in the financial strategy going forward. They did however believe that the City had not reached its peak in the visitor economy and so continuous development was needed but also taking into account the challenges. People were staying overnight on boats in Wednesfield which were contributing to the local economy. Due to the slow nature of boats people were also staying in Wolverhampton. The nature reserve being developed would be the longest local linear reserve in the country, which would attract many visitors. As it was flat it would be attractive to people of all ages and those with mobility issues. The nature reserve was something which could further enhance the visitor economy and development should be encouraged. Officers from the Arts Council had visited Wednesfield in August to assess how £2,500 of Black Country Creative Arts funding was being spent and had been impressed with what they had seen.

A panel member stated whilst there were clearly challenges ahead, the strategy was correct. Promotion was important to increase the footfall such as attracting people from the other side of the city to visit the canal in Wednesfield. She referred to the pink book which had been an excellent promotion tool. The Council needed to praise itself and the area of Wolverhampton more. The city had been creative in how they could use its venues and she hoped this would continue.

A panel member stated that the strategy was about making the most of Council assets and managing the Council's liabilities. Monitoring and review was important to assess how well the Council was doing in relation to its assets and liabilities. Necessary adjustments could then be implemented, which he was confident the Council was already doing.

Panel members praised the Food Festival in Wolverhampton which had taken place earlier in the year, where a large proportion of millennials had been present. They asked for the festival to be expanded into the City Centre. Some food outlets had run out of food as the event had been so popular. The Service Director for City Economy welcomed the idea of stretching it through the City Centre. The Cabinet Member for City Economy stated that a three-day Victorian Christmas Market was being planned in the same location and of a similar size to the Food Festival. If this was successful it would continue in future years.

## Appendix D

A panel member stated more hotels were needed in Wolverhampton to attract people to the area and boost the local economy. The Service Director for City Economy stated that they were receiving enquires and agreed it was important to encourage people to stay overnight as they spent significant more money when staying over.

### **Resolved:**

- A) That the feedback received at the meeting be forwarded to Scrutiny Board for consolidation and onward response to Cabinet.
- B) That the Scrutiny Panel response be finalised by the Chair and Vice-Chair of the Scrutiny Panel and be forwarded to Scrutiny Board for consideration.



**Confident Capable Council Scrutiny Panel – 23 November 2017  
Draft Budget and Medium Term Financial Strategy Minutes**

Cabinet Member for Resources introduced the report and provided the Panel with an overview of the budget process. There had been various transactional changes which were shown in the appendix but that the Council had managed to produce a balanced budget for 2018-2019 despite fact that recycling savings had been deferred due to issues with the contractor.

There were a great many items under the resources portfolio and 3 items under governance including health and safety and the lone worker system which were one-off saving proposals. There had also been some drawing down of grants and those savings would be reversed for next year.

Under the resources portfolio the big saving had been in relation to the upfront payments to the pensions investment fund. It was confirmed that the savings listed in relation to the pensions investment fund were listed twice and the larger figure was a one-off saving and the other was ongoing.

It was confirmed that overall there would be very little impact on services.

The panel questioned what was being used out of the reserves as it is not obvious in the report and there were concerns that we could be eroding our reserves. Cabinet Member for Resources stated that general reserves had not been used and that this was from a specific reserve which had already been set aside for this purpose but that he would send details through.

There were concerns from the panel that even though the Council was proposing a balanced budget the way in which it was being done appeared very complicated with savings this year and putting them back in next year, the panel noted that if it wasn't for these accountancy entries then there wouldn't be a balanced budget.

The Cabinet Member for Resources stated that these grants needed to be used this year and that in relation to the pensions fund the Council had made upfront payments so had already paid an element of next year's costs.

The Finance Director stated that yes there were one offs that were helping us to balance the budget and that our external auditors had looked at this and they were happy with this approach and the overall strategy.

A panel member queried section 2.3 of the report and what the final sentence meant.

Cabinet Member for Resources stated that this section referred to some additional savings that had been made and that these had been built into the October budget report (Appendix A page 107 of the pack). One of the biggest items was that the Government had offered capital receipts flexibility for transformation and that this had been brought into the budget to help offset the delay in waste and recycling transformation savings.

## Appendix E

One panel member stated that he had found this process very difficult and requested that officers please write reports in the most straightforward language possible.

The panel thanked the Cabinet Member for Resources all the staff who had in extraordinary circumstances offered the City a balanced budget.

The panel noted that the consultation events had been quite poorly attended.

The panel queried how well the Council got a steer off big bodies such as the Police and Combined Authority as there could be implications on our budget setting.

The Cabinet Member for Resources stated that in respect of the homelessness housing first grant this had been approved by leaders of Combined Authority as it is for Birmingham and the Black Country and was very welcome and that the Mayor, Andy Street, had made the grant application at the requisite time.

It was also confirmed that the Increased costs should be covered by the £12 million awarded to the Metro Mayor and that this should mitigate any further call for increases from the 7 authorities within the Combined Authority. Infrastructure works were included in the devolution deal and in the budget, these were capital areas and it was hoped that the capital raising mechanism in the deal would enable work to be done without any cost to the authority. The panel thanked officers for the production of the draft finance guide booklet and stated that it was excellent and requested that the final version be made available on the Council's website.

Cabinet Member for Resources stated that he would also circulate an article that he had prepared previously that helped to break down the differences between capital and revenue finances.

### **Resolved:**

Recommendations approved.

**Vibrant and Sustainable City Scrutiny Panel - 24 November 2017  
Draft Budget and Medium Term Financial Strategy Minutes**

The Finance Business Partner (Place) presented a report on the Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020. The purpose of the report was to seek the Panel's feedback on the Draft Budget 2018-2019, that had been approved by Cabinet to proceed to formal consultation and scrutiny stages. The panel's feedback was also sought on the approach to the budget consultation and key budget reduction proposals that were built into the Council's Medium Term Financial Strategy. There were no new savings currently proposed in the service area for the forthcoming financial year.

The Cabinet Member for City Environment stated there were three main strands in the savings portfolio over three financial years. Corporate Landlord had a target of £1.2 million savings. The Council was on track to achieve the £1.2 million in savings. Whilst there had been overspend in some areas there had also been underspend in others. There were some issues in Catering Services but overall the Council was on target. Over the next two financial years there was a target of a further £2 million in savings. He personally believed the City was moving, office space and buildings were having a much better take up. i10 had been a success in helping to attract other businesses to the City.

The Chair requested further information on the overspend in catering services. In response, the Head of Corporate Landlord stated there had been a £590,000 reduction in the Catering Services income. The service was however still bringing in £900,000 in income, so it was not a net loss to the service. The principal reason for the reduction in income was the market becoming more competitive. The current offer to schools was higher in costs compared to the market but extra services were included in the overall cost. The Council would therefore have to offer these extra services for an additional charge to remain competitive. An action plan was being devised reprofiling the service, with a report due in the near future. The review that had been completed was partly to help manage a decline in the service as schools became more autonomous. In excess of 70% of primary schools were still using the Council's catering service. A review had been undertaken with the intention of helping to stabilise the service. A panel member asked what had caused the decline and was keen to ensure that nutritional standards remained high. In response, the Head of Corporate Landlord confirmed that the Council was currently charging more per school meal than the market. The food however was provided to a higher standard and a kitchen maintenance and food advisory service were provided as part of the package. In future, the Council would have to provide a price for a food only service, to remain competitive and offer the additional services as extras with a corresponding additional charge. The panel noted the good work undertaken in corporate landlord in achieving the savings to date.

## Appendix F

A panel member asked if the Civic Hall fell within the remit of the Head of Corporate Landlord. In response, the Head of Corporate Landlord stated that the Civic Hall fell within his remit from an asset management perspective but not service operation. The panel member asked how long it would take to recoup the costs for the refurbishment of the Civic Hall through the running of events held there. The Head of Corporate Landlord stated that the Service was currently reviewing the business case. The Finance Business Partner (Place) stated that a business case would be drawn up and it would include commercial income that could fund the refurbishment and also grant funding.

The Cabinet Member for City Environment stated that for 2017-2018, there was a target saving of £3.8 million in the City Environment Division. £1.7 million of that saving had been reprofiled into next year's savings due to a contractual dispute with the waste and recycling contractor – Amey Environment Services. Of the £3.8 million savings target, £2 million had been saved through reconfigurations, transformations and contract efficiencies. The division was broadly on track to achieve its saving target.

The Cabinet Member for City Environment stated that the proposed changes to the waste collection service were currently on hold whilst the Council was in legal dispute with Amey Environment Services. The Cabinet Member reported that 75 percent of local authorities had moved to fortnightly or three weekly collections, which had consequently had a significant financial impact on Amey Environment Services. There was a legal meeting scheduled to take place with Amey Environment Services to try and resolve the legal dispute. The Council had been left with no alternative but to go to Court. The Council Officer responsible for the service was extremely knowledgeable, experienced and capable and believed the Council had a good case against Amey Environment Services. The Council had a number of options available including taking the service back in-house. The Cabinet had also looked at the option of a super site which could provide a number of services, resulting in a significant saving. Extra land did not need to be purchased and a workable transport solution had been devised. He suggested that the panel meet the Council Officer to discuss the waste and recycling service at a future meeting of the panel. The changes in the waste collection proposals were ready from a Council perspective, which included fortnightly collections and a chargeable garden waste service. The food collection service was not viable and could be switched off relatively simply once the legal dispute had been resolved with Amey Environment Services.

A panel member asked how long the legal dispute was likely to last and how the Council was going to effectively communicate the changes to residents and take into account the lessons of what had happened in Birmingham. The Cabinet Member in response stated that communication was key and was dismayed that the Express and Star had misled the public by missing key parts out of the Council's press release regarding the proposed changes to the service, such as residents being given a larger household waste bin. Social media would be utilised and a comprehensive communications drive would be devised including use of Wolverhampton Today, letter distribution, radio, stickers on bins and visiting properties. When the new Council Tax electronic system was implemented the Council would obtain additional email addresses allowing further electronic communication.

The Cabinet Member hoped the legal dispute with Amey Environment Services would be resolved by early next year. He couldn't see any changes to the waste collection service before April, the changes were more likely to be in the Summer or potentially even later in the year. The Cabinet Member did not see all the proposed changes to commence on the same day, rather a staggered approach.

The Cabinet Member for City Environment stated that whilst the Council did not undertake grass cutting every week, choosing to do it every three weeks, the work was still of a high standard compared to other Local Authorities in the West Midlands region. The number of complaints had dropped dramatically but was subject to weather conditions. A number of vacant posts had been deleted in the City Environment Division meaning that team members had taken on extra responsibilities. The Chair asked the Cabinet Member to keep the panel informed of the efforts to resolve the ongoing legal dispute with Amey Environment Services and the panel noted the good work that had been undertaken in the City Environment Division.

The Cabinet Member for City Environment stated that the Council was currently reviewing the Passenger Transport Service, mainly in the area of yellow buses. The City Environment Division's role was largely centred around the maintenance and upkeep of the vehicles.

The Cabinet Member for City Environment gave an update on City Housing. The Council had achieved £100,000 in savings in 2017-2018 through the review of Homelessness and Housing Options services and the transfer of services to Wolverhampton Homes. Further budget reductions and income generation targets of £100,000 over the forthcoming two financial years were planned for City Housing and options to achieve the target were being developed.

Wolverhampton homes were carrying out good work and compared to other local authority areas they did a very good job and delivered a comprehensive service. He did not have any issues dealing with employees at Wolverhampton Homes. For the first time in 30 years, the Council was moving forward with building houses and had setup a separate company to kick start the construction of private housing. Four hundred new private houses and a further four hundred for social letting were being developed. The Cabinet Member was delighted with the innovation undertaken to achieve the income streams for the development.

A panel member asked about the £100,000 reduction in homelessness services. He asked if the service was being reduced to achieve the savings target. The Cabinet Member responded that Wolverhampton Homes were already delivering a service and it made sense for them to take on the Homelessness Service to avoid unnecessary costly duplication. Wolverhampton was highly regarded across the West Midlands for how they helped the homeless. Everybody that was homeless was given an offer of help, but some did not wish to take up the offer. The Chair stated that in theory the homelessness service would improve with the savings implemented due to the consolidation of the service with Wolverhampton Homes.

The Cabinet Member for City Environment asked for his sincere thanks to Gwyn James (Head of Strategic Transportation) to be placed on the record for his many years of exemplary service to the Council, as he was about to leave the authority. The panel echoed the Cabinet Member's sentiments.

## Appendix F

The Chair asked for comments specifically on the budget consultation process. A panel member stated that the Council was doing everything it could to engage appropriately with residents on the budget proposals. A panel member stated that as time had progressed the digital engagement process had grown stronger. Whilst the Council had legal obligations regarding the budget consultation, it was important for the Council to look at how many public meetings were actually needed, given the relatively low attendance. The Cabinet Member for City Environment agreed that attendance was not high and was continuing to decline year on year. A number of strands needed to be addressed but he believed the public should still have the opportunity of attending a public meeting.

### **Resolved:**

- A) That the feedback received at the meeting be forwarded to Scrutiny Board for consolidation and onward response to Cabinet.
- B) That the Scrutiny Panel response be finalised by the Chair and Vice-Chair of the Scrutiny Panel and be forwarded to Scrutiny Board for consideration