

CITY OF
WOLVERHAMPTON
C O U N C I L

Scrutiny Board Meeting

Tuesday, 11 December 2018

Dear Councillor

SCRUTINY BOARD - TUESDAY, 11TH DECEMBER, 2018

I am now able to enclose, for consideration at next Tuesday, 11th December, 2018 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 and Medium Term Financial Strategy 2019-2020</u> (Pages 3 - 18)
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Health Scrutiny Panel – 15 November 2018 - Minutes
Draft Budget and Medium Term Financial Strategy 2019-2020 Item No: 5

The Portfolio Holder for Public Health and Wellbeing introduced a report on the Draft Budget and Medium Term Financial Strategy 2019-2020. She stated it was a challenging year for the Council, in setting the budget for 2019-2020. The projected budget deficit for 2019-2020 was in the region of £6 million. There would be an update provided on the deficit in January next year. The report before the Scrutiny Panel asked them to provide feedback to Scrutiny Board on the draft budget proposals and on the overall scrutiny process of the budget.

The Portfolio Holder stated that the Council had identified a total of £695,000 budget reduction and income generation proposals, which were being formally consulted on. Within Public Health there was a saving of £288,000 to be delivered through the integration of Public Health Service Contracts. She asked for the Panel's feedback on the Draft Budget and Medium Term Financial Strategy and for feedback on the overall scrutiny process. It was intended for the Scrutiny Panels responses to be provided to Scrutiny Board on 11 December.

The Chief Accountant stated that some of the savings were being made through budget efficiencies which did not require consultation, as they did not impact directly on service users. As an example she cited the use of one off grants and vacancy management. The appendix to the report detailed the savings where there would be an impact on the public.

A Member of the Panel commented that her perception had been that there had not been the same amount of publicity for the budget consultation events as in previous years. The Chief Accountant responded that they had advertised in the same way as previous years. The consultation process was still open and would close in December.

A Member of the Panel stated the Secretary of State for Health had given a speech recently about the importance of prevention in the health sector. He asked if there had been any communications from the Department of Health since the speech. The Portfolio Holder responded that there had not been any direct communication from the Department for Health. There were however local discussions taking place about how to work better collaboratively with partners on the preventive health agenda.

The Director of Strategy and Transformation of the CCG asked if an impact analysis was being carried out on any proposed savings. The Director for Public Health responded that on the subject of the Integrated Health Public Service contracts, there were historically a number of mandatory functions the Council had to undertake. These included several commissioned services, such as goods and alcohol, the healthy childhood programme, which incorporated childhood measurement and health visiting services and finally sexual health services. Traditionally the Council used procurement and tendering processes to achieve the best value for money against the outcomes they wanted to achieve for the people of Wolverhampton.

The Director for Public Health stated that the health and social care environment was changing with many shared goals and shared outcomes, which could be worked on together across organisations. Over the past year they had been working closely with the CCG on some of the key public health outcomes they were trying to improve. The joint working approach had been successful in improving the outcomes for health checks. They were also trying to do significantly more integrated working with the Royal Wolverhampton Health Trust, who currently held two core contracts, sexual health and the healthy childhood programme. A partnership approach rather than two separate contracts was essentially what was being proposed to help manage the budget, but also importantly to improve overall outcomes using a collective approach. It was this new approach which is what was being consulted on as part of an overall impact assessment. The Director for Strategy and Transformation of the CCG asked for the assessment and information gathered from the consultation to be shared with them. The Chief Executive of the RWHT added that the Trust was working very well in partnership with the Council's Public Health Department.

A Member of the Panel asked how far the work had progressed on the proposed integrated contracts. He was conscious that the new financial year was only four months away. He wanted to have a better understanding as to how much was aspirational compared to confident achievable proposals. The Director for Public Health responded that they had been having explorative discussions in relation to achieving the outcomes over the last year. Consultation would be required on the proposals and the legalities would need to be worked through. They were however confident that the approach was the correct one and work was going on at pace to achieve them within the next financial year.

A Member of the Panel asked about the oversight processes on the use of consultants and fixed term contracts. The Portfolio Holder responded that they received regular updates at Cabinet on short-term projects, the use of consultants and associated costs. Any consultants appointed had to be logical and add value. The Council had worked hard to reduce the number of consultants used to a manageable number.

Budget Minutes - Adults and Safer City Scrutiny Panel 27 November 2018

Draft Budget and Medium Term Financial Strategy 2019-2020

Alison Shannon, Chief Accountant, introduced the draft budget and medium term financial strategy report and then explained that panel comments on the proposals would be included in the report to Scrutiny Board and Cabinet as part of the consultation process. The Chief Accountant also invited the panel to comment on the budget consultation process itself and changes they would like to see in how the information was presented in the future.

The Chief Accountant explained that an update on the previously reported projected budget challenge of £19.5 million was published in October 2018 which led to a revised budget deficit of £6 million for 2019-2020. The panel were advised that the reduction was achieved because of work done to identify budget efficiencies, budget reduction and income generation opportunities.

The Chief Accountant reported that the report does not provide specific detail on budget efficiency proposals as they do not impact on the provision of services to the public. There were no budget reduction and income generation proposals relating directly to the remit of the panel.

The panel queried the number of people who attended the public consultation events arranged to get views on the budget proposals. The Chief Accountant noted that there was a good response to the online consultation but figures relating to public meetings were low, the consultation was still ongoing and final figures could be provided at a later date.

The panel were advised that the budget consultation events were promoted using social media, leaflets, the Express and Star and posters near the venues. The event was also promoted on the Council website where the public are also invited to complete an online response form to share their views on the consultation process. This consultation is still ongoing and receives a greater response. The information will be used when reviewing the consultation process.

The panel discussed the effectiveness of the methods used to promote public budget consultation events and suggested further consideration is given to the needs of specific groups and how best to engage them and support their participation.

The Chief Accountant accepted that the numbers of people attending budget consultation has traditionally been low. However, the response from the public to the online consultation has been much greater compared to public events.

The panel questioned the use on online consultation methods and emails to engage with members of the public and considered that it was not suitable for some residents.

The panel queried the lack of detail in the report about the budget efficiency proposals where no formal public consultation is required on the basis that they have no impact on service provision. The Chief Accountant advised the panel that some of the savings relate to the release of vacant posts which are no longer considered necessary due to changes in how services are delivered, draw down of one-off grants and efficiencies across non-salary budgets. The Director of Adult Services

gave an example of a change in working arrangements at Duke Street which had no effect on service provision.

The panel requested a briefing paper on the implications of budget efficiency proposals relevant to this panel and that this information is shared with the panel to better understand their impact on future service provision. The Chief Accountant agreed to provide the information to the panel. These proposals can be implemented without awaiting the outcome of formal budget consultation process.

Children, Young People and Families Scrutiny Panel - 14 November 2018 Draft Budget and Medium-Term Financial Strategy 2019-2020 Draft Minutes

Alison Shannon, Chief Accountant, presented the draft budget report and medium-term financial strategy report. The panel were invited to comment on the proposals and respond to the recommendations. The Chief Accountant also invited the panel to suggest changes to the current budget setting process to improve consultation arrangements.

The Chief Accountant outlined the background to the work done to respond to the previous projected budget challenge of £19.5 million for 2019 – 2020 that was presented in a report to Cabinet on 11 July 2018. The projected budget challenge figure was now estimated to be £6 million after further work was done to identify budget efficiencies, budget reductions and income generation opportunities.

The Chief Accountant advised the panel that comments on the draft budget and medium-term financial strategy will be included in a report that will be presented to Scrutiny Board on 11 December 2018. The Chief Accountant outlined the next steps in the budget consultation process. The panel were invited to comment on the report.

The panel commented on the lack of detail in the budget report about the proposals for budget reductions and income generations relating the children and young people services and would like more information. The Chief Accountant agreed to note the comment and agreed to look at making changes to the layout and content to make the information clearer about the proposal and the implications for individual services provision.

The following is a summary of panel discussion about proposals for budget reduction and income generations

Child and Adolescent Mental Health Services Tier 3 funding to Black Country Partnership Foundation Trust

The panel queried the reduction in the budget of £137,000 for the Child and Adolescent Mental Health Services and the implications for children and young people needing support. Andrew Wolverson, Head of Service People, advised the panel that the service undertook a review of funding for services at Tier 3 as part of the budget preparation work. The review involved comparing the approach adopted by neighbouring local authorities to funding of this service and the evidence showed that very few provided funding at this level. Most of the council's reported that they focus their funding at Tier 2 level of support for people needing a lower level of mental health support. The panel were advised that Wolverhampton CCG is responsible for meeting the needs of children and young people needing access to specialist mental support. The Head of Service advised the panel that there have been detailed discussions with colleagues at BCPT and WCCG about the proposals.

The Head of Service advised the panel that savings from the proposal would be invested to improve services at the Tier 2 level of support.

The panel queried the impact of the budget reduction on the ability of the Council to meet the needs of young people with mental health concerns and how our provision compares with that offered by neighbouring authorities. The Head of Service People

reassured the panel that the principal underlying the approach is that the fundamental services at Tier 2 and that services at Tier 3 should be the responsibility of the CCG to fund and deliver. The expectation is that an increase in investment at Tier 2 level will reduce the number of young people being referred to Tier 3 by intervening much earlier with support. A new Tier 2 service will be re-commissioned based on the learning from the HeadStart programme about which projects have been successful.

The panel queried the impact on the service of children diagnosed with autism if funding is reduced and if the new service could meet the current level of demand for support. The Head of Service People advised that Robert Hart has responsibility for developing the autism strategy. The scrutiny officer agreed to re-circulate a briefing paper prepared by Rob Hart about the current strategy. The panel agreed to add the topic to a future agenda item for the panel to consider. The Head of Service advised the panel that the needs of the young person would be detailed in the education health plan, which would detail the support needed.

Supervised Contact Centre Provision for Children and Young People

The panel queried the implications of reduced spending on the supervised contact centre provision. The Head of Service advised the panel that the figures quoted do not represent a budget reduction. The panel were advised that work had been done to review the current use of the service and a number of efficiencies had been identified that could create extra capacity, if alternative provision was provided where supervised contact was required. The change in usage would allow the service to be offered to other potential users such as courts where a location is available for supervised contact and other local authorities looking for similar provision. The service would provide a source of income for the council.

Mark Taylor, Director of People, explained that the consideration would be given to adding a note explaining in future budget reports a situation where an increase in income has helped to reduce a larger savings in expenditure than would have occurred without the income.

WV Active Catering Offer

The panel queried the reasons for the reduction in the budget for the service. The Director of People advised the panel that a review of the catering service at WV Active venues had been done as the service does not generate enough profit to cover the costs of providing it. The responsibility for the WV Active service has been transferred to the Director of Public Health who is looking at use of vending machines to replace the current provision. The Council is looking to reduce the level of subsidy to the catering service.

The panel queried if there were plans for make use of the space in the centres that would be left if the catering service was removed and the subsequent loss of income. The Director of People advised the panel that no decision had been made about the future use of the space, but the aim is to make the best use of any space.

Resolved:

The panel comments on the draft budget and medium-term financial strategy 2019-2020 to be included in the feedback in the report to Scrutiny Board.

A report on the autism strategy to be presented to a future meeting of the panel.

The Chief Accountant to review the presentation of the budget savings proposals in future reports to give more details about the impact of the planned changes on the level of service provision.

The Chief Accountant to consider the presentation of budget reports to show how proposals for income generation have lessened the impact on the overall budget.

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Budget Minutes - Stronger City Economy Scrutiny Panel 20 November 2018

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

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

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

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

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

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

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

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

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

Vibrant and Sustainable City Scrutiny Panel – 6 December 2018

Budget Minutes

The Chair stated that Finance had asked for specific feedback on the Scrutiny process of the budget and on the consultation process. He asked the Finance Business Partner to present the report.

The Finance Business Partner stated in March 2018 it had been projected that the Council would be faced with finding further estimated budget reductions totalling £19.5 million by 2019-2020. Following reports to Cabinet in July and October 2018 the budget deficit for 2019-2020 had been reduced to in the region of £6 million. There would be a further report in the New Year which would detail the latest position.

The Finance Business Partner stated that the appendices to the report detailed the budget reduction and income generation proposals that the Council were required to consult on. Within the remit of the Panel there were a number of budget reduction and income generation proposals out for consultation. These were, the proposed review provision of the toilet at the Mander Centre, the review of the residents parking scheme, the review of the maintenance and routine cleaning of illuminated road signs and the WV Active catering offer. All the other proposals that fell within the remit of the Panel were efficiencies which would be dealt with by the Budget Managers for each area.

The Finance Business Partner asked for comments on the overall Draft Budget and Medium Term Financial Strategy, the proposals held within it, the consultation process and the overall budget scrutiny process.

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Draft Budget and Medium Term Financial Strategy 2019-2020

Confident Capable Council Scrutiny Panel 28 November 2018

Claire Nye, Director of Finance, presented the Draft Budget and Medium Term Financial Strategy report which sets out the financial position of the Council and work done to address the projected budget challenge. The Director of Finance commented that proposals classed as financial transactions and base budget revisions will be managed through internal processes. The panel were invited to comment on the budget reduction proposals and comment on the budget scrutiny process.

The panel discussed the value of their contributions about budget proposals and expressed some concern about the size of the report and the number of appendices which need to be considered and referenced to get a full understanding of the plan to achieve a balanced budget. The Director of Finance commented that the Council has a legal responsibility to set a balanced budget and that Councillors are consulted on the proposals. The Director of Finance agreed to consider ideas for making the information more manageable as part of the budget consultation review.

Louise Miles, Cabinet Member for Resources, commented that the public had been invited as part of the budget consultation process to say how they would like to be consulted in the future. The Cabinet Member for Resources advised that there had been discussions with Chair of Scrutiny Board about the role of scrutiny members in the budget scrutiny process, which may include looking at the whole budget, rather than on the basis of Cabinet portfolio responsibility.

The panel commented on the current arrangements where panels scrutinise budget proposals within their remit and suggested that a different approach was needed to understand the impact on the Council as a whole, to have a more effective budget scrutiny process.

The panel commented about the lack of detail about the implications of savings proposals and the presentation of figures which do not properly explain the difference between a budget reduction or an income generation idea.

The panel commented on the remit of the panel which requires a different approach to the budget scrutiny process to understand the implications of proposed changes on how services are delivered in the future. The panel discussed the list of risks detailed in Table 3 of the report and suggested there was a need to explore them in more detail to better understand the impact on policy and service delivery. The panel considered that the current information makes it difficult to understand how key risks were considered during the budget process and other cross cutting issues.

The Director of Finance agreed to consider how to present the information about risks associated to the medium-term financial strategy to meet the concerns of the panel in future reports about the budget.

The Cabinet Member for Resources commented on the overall poor level of attendance at the public budget consultation events and further thought would be given to what could be done to improve the situation.

The Cabinet Member for Resources praised the positive meeting with members of Wolverhampton Youth Council as part of the budget consultation process.

The panel discussed the value of panel members making comments on the budget proposals and the limited scope to make significant changes. The panel suggested that a different approach was needed to the scrutiny of the draft budget and medium-term financial strategy document.

The panel suggested the panel should consider the budget consultation process and procedure, and an assessment of risks. The Director of Finance commented that training sessions on the budget had been offered to Councillors to support them in understanding the Council's budget previously, but attendance had been poor. The Director of Finance agreed to discuss with colleagues about offering briefing sessions on the budget as part of the consultation process. The panel commented on the importance of the panel understanding the whole budget and the implications of what is being proposed.

The Cabinet Member for Resources commented that during the public consultation events there was consensus in the responses in wanting to have issues put into context so that they could better understand the implications of the budget proposals. In addition, information could be presented differently with an explanation to help people better understand the budget proposals.

The panel suggested that a special meeting should be arranged to consider and comment on scrutiny process of the budget, in recognition of its wider remit and responsibility for financial matters to support the delivery of Council services