

# Scrutiny Board

## 17 December 2019

<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024	
<b>Cabinet member with lead responsibility</b>	Councillor Ian Brookfield Leader of the Council	
	Councillor Louise Miles Resources	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
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<b>Report to be/has been considered by</b>	Strategic Executive Board	2 October 2019
	Cabinet	16 October 2019
	Health Scrutiny Panel	7 November 2019
	Vibrant and Sustainable City Scrutiny Panel	7 November 2019
	Adults and Safer City Scrutiny Panel	12 November 2019
	Our Council Scrutiny Panel	20 November 2019
	Stronger City Economy Scrutiny Panel	25 November 2019
	Children, Young People and Families Scrutiny Panel	27 November 2019

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### Recommendations for 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 2020-2021 to 2023-2024, including budget proposals, and how it is aligned to the priorities of the Council.

## **1.0 Purpose**

- 1.1 The purpose of this report is to seek Scrutiny Board's feedback on the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 including budget proposals, and how it is aligned to the priorities of the Council, which was presented to Cabinet on 16 October 2019.

## **2.0 Background**

- 2.1 Since 2010-2011 despite the successive cuts in Council resources, which have led to significant financial challenges, the Council has set a balanced budget in order to deliver vital public services and city amenities. Over the last eight years the Council has identified budget reductions in excess of £220 million. The extent of the financial challenge over the medium term continues to represent the most significant challenge that the Council has ever faced, with reducing resources, growing demand for services and significant cost pressures.
- 2.2 The Budget and Medium Term Financial Strategy (MTFS) 2019-2020 to 2023-2024 was presented to Full Council for approval on 6 March 2019. The Council was able to set a balanced budget for 2019-2020 without the use of General Fund reserves. However, it was projected that the Council would be faced with finding further estimated budget reductions totalling £27.3 million in 2020-2021 rising to £40-£50 million over the medium term to 2023-2024.
- 2.3 Since then, work has been ongoing across the Council to identify opportunities in line with the Five Year Financial Strategy to support the budget strategy for 2020-2021 and future years, whilst also analysing emerging pressures and potential resources available to the Council, following the Spending Round 2019 announcement on 4 September 2019.

## **3.0 Our Council Plan 2019-2024**

- 3.1 The Council's strategic approach to address the budget deficit continues to be to align resources to Our Council Plan 2019-2024 which was approved by Full Council on 3 April 2019.
- 3.2 Our Council Plan, developed with the people of the City of Wolverhampton at its heart, sets out how we will deliver our contribution to Vision 2030 and how we will work with our partners and communities to be a city of opportunity. The plan includes six strategic priorities which come together to deliver the overall Council Plan outcome of 'Wulfrunians will live longer, healthier and more fulfilling lives.' Over the medium term, resources will continue to be aligned to enable the realisation of the Council's strategic priorities of achieving:
- Children and Young People get the best possible start in life
  - Well skilled people working in an inclusive economy
  - More good jobs and investment in our city
  - Better homes for all

- Strong, resilient and healthy communities
- A vibrant, green city we can all be proud of.

- 3.3 All of the strategic outcomes will be supported by the 'Our Council' Programme, which will help us drive organisational improvement and development.
- 3.4 The Financial Strategy, approved by Council in March 2019, consists of five core principles underpinned by eight core workstreams. Using the Core Workstreams as the framework for the Financial Strategy detailed delivery plans are being developed all with a lead director. The core principles are:
- **Core Principles:**
    - **Focusing on Core Business.** Focus will be given to those activities that deliver the outcomes local people need and which align to our Council Plan and Financial Strategy.
    - **Promoting Independence and Wellbeing.** We will enable local people to live independently by unlocking capacity within communities to provide an effective and supportive environment.
    - **Delivering Inclusive Economic Growth.** We will continue to drive investment in the City to create future economic and employment opportunities.
    - **Balancing Risk.** We will ensure we base decisions on evidence, data and customer insight.
    - **Commercialising our Approach.** We will boost social value in our City by maximising local procurement spend with people and businesses.
- 3.5 The Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 has been considered by all Scrutiny Panels during November. The feedback from each Scrutiny Panel is included in Appendices 1 to 6. This feedback along with further comments received at Scrutiny Board on 17 December 2019 will be sent as a formal response to Cabinet.
- 3.6 If there are substantial changes or recommendations of the Scrutiny Board are not accepted, then the Scrutiny Board will consider the budget again in February 2020, following an update to Cabinet on the Local Government Finance Settlement.
- 3.7 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 2020, ahead of Full Council considering the budget in March 2020.
- 3.8 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 2020-2021 to 2023-2024 report, which was circulated with the 16 October 2019 Cabinet agenda. Details of all the Council's individual budget reduction and income generation proposals, including the latest to be considered by Cabinet on 16 October 2019, can be found on the Council's website at:

<https://www.wolverhampton.gov.uk/your-council/corporate-finance/view-councils-savings-proposals>.

## **4.0 Scrutiny Board Recommendations**

4.1 Comments from each of the Scrutiny Panels is included at:

1. Appendix 1 – Health Scrutiny Panel
2. Appendix 2 – Vibrant and Sustainable City Scrutiny Panel
3. Appendix 3 – Adults and Safer City Scrutiny Panel
4. Appendix 4 – Our Council Scrutiny Panel
5. Appendix 5 – Stronger City Economy Scrutiny Panel
6. Appendix 6 – Children, Young People and Families City Scrutiny Panel

4.2 The Board is requested to review the comments and further scrutinise the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 and how it is aligned to the priorities of the Council, for submission to Cabinet.

4.3 In addition to commenting 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.

## **5.0 Financial implications**

5.1 The financial implications are discussed in the body of the report, and in the report to Cabinet.  
[MH/06122019/O]

## **6.0 Legal implications**

6.1 The legal implications are discussed in the report to Cabinet.  
[TS/06122019/R]

## **7.0 Equalities implications**

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

## **8.0 Environmental and climate change implications**

8.1 The environmental and climate change implications are discussed in the report to Cabinet.

## **9.0 Human resources implications**

9.1.1 The human resource implications are discussed in the report to Cabinet.

## **10.0 Corporate landlord implications**

10.1 The corporate landlord implications are discussed in the report to Cabinet.

## **11.0 Health and wellbeing implications**

11.1 The health and wellbeing implications are discussed in the report to Cabinet.

## **12.0 Schedule of background papers**

12.1 Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024, report to Cabinet, 16 October 2019.

Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024, reported to:

Children, Young People and Families Scrutiny Panel	27 November 2019
Health Scrutiny Panel	7 November 2019
Stronger City Economy Scrutiny Panel	25 November 2019
Adults and Safer City Scrutiny Panel	12 November 2019
Our Council Scrutiny Panel	20 November 2019
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