

# Scrutiny Board

## 8 December 2020

<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024	
<b>Decision designation</b>	AMBER	
<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 Tel Email	Chief Accountant 01902 554561 Alison.Shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board Cabinet Children, Young People and Families Scrutiny Panel Stronger City Economy Scrutiny Panel Adults and Safer City Scrutiny Panel Health Scrutiny Panel Our Council Scrutiny Panel Vibrant and Sustainable City Scrutiny Panel	22 October 2020 11 November 2020 11 November 2020 12 November 2020 17 November 2020 19 November 2020 25 November 2020 26 November 2020

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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 2021-2022 to 2023-2024 and how the budget 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 2021-2022 to 2023-2024 and how it is aligned to the priorities of the Council, which was presented to Cabinet on 11 November 2020.

## **2.0 Draft Budget and Medium Term Financial Strategy 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 ten years the Council has identified budget reductions in excess of £235 million.
- 2.2 The Budget and Medium Term Financial Strategy (MTFS) 2020-2021 to 2023-2024 was presented to Full Council for approval on 4 March 2020. The Council was able to set a balanced budget for 2020-2021 without the use of General reserves. However, it was projected that the Council would be faced with finding further estimated budget reductions totalling £15.5 million in 2021-2022 rising to around £20 million over the medium term to 2023-2024.
- 2.3 It is important to note that the budget was prepared prior to the Covid-19 pandemic. At the time of reporting to Council, the full impact of Covid-19 was not anticipated and the impact on both the finances and operating environment could not have been foreseen.
- 2.4 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council.
- 2.5 Since March 2020, work has been ongoing across the Council to review corporate resources assumptions, growth and inflation assumptions and opportunities in line with the Five Year Financial Strategy to support the budget strategy for 2021-2022 and future years, whilst also detailing the emerging pressures that the Council currently faces in response to the Covid-19 pandemic.
- 2.6 It should be noted that due to external factors, especially surrounding the Covid-19 pandemic and Brexit, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.

## **3.0 Five Year Financial Strategy**

- 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 Covid-19 has had a significant international, national and regional impact and will continue to do so over the short and medium term. The pandemic has made the challenges faced in our local economy much harder. Alongside managing the emergency response to the pandemic, the Council has also undertaken extensive planning for recovery which was approved by Cabinet in September. It engaged with around 2,500 people including residents, young people, the voluntary and community sector and other partners, employees, Councillors and businesses across the city. This engagement has shaped the Council’s five-point recovery plan, ‘Relighting our City’.
- 3.5 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.
- 3.6 The Draft Budget and Medium Term Financial Strategy 2021-2022 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 8 December 2020 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 2021, 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 2021, ahead of Full Council considering the budget in March 2021.
- 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 2021-2022 to 2023-2024 report, which was circulated with the 11 November 2020 Cabinet agenda.

#### **4.0 Scrutiny Board Recommendations**

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

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

4.2 The Board is requested to review the comments and further scrutinise the Draft Budget and Medium Term Financial Strategy 2021-2022 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.  
[RP/30112020/A]

#### **6.0 Legal implications**

6.1 The legal implications are discussed in the report to Cabinet.  
[TS/30112020/R]

#### **7.0 Equalities implications**

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

## **8.0 Climate change and environmental 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 Covid implications**

12.1 The Covid implications are discussed in the report to Cabinet.

## **13.0 Schedule of background papers**

13.1 Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024, report to Cabinet, 11 November 2020.

Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024, reported to:

Children, Young People and Families Scrutiny Panel	11 November 2020
Stronger City Economy Scrutiny Panel	12 November 2020
Adults and Safer City Scrutiny Panel	17 November 2020
Health Scrutiny Panel	19 November 2020
Our Council Scrutiny Panel	25 November 2020
Vibrant and Sustainable City Scrutiny Panel	26 November 2020