

Children, Young People and Families Scrutiny Panel

25 November 2015

Report title	Budget Review - Draft Budget 2016/17	
Cabinet member with lead responsibility	Councillor Val Gibson Children and Young People	
	Councillor Claire Darke Education	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor	Director of Finance
	Tel	01902 554410
	Email	Mark.Taylor@wolverhampton.gov.uk
Report to be/has been considered by		

Recommendation(s) for action or decision:

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget 2016/17, in particular those elements that are relevant to this Scrutiny Panel, including specifically:
 - a. the Savings, Redesign and Income Generation Proposals summarised at Appendix A.
 - b. the Financial Transactions and Base Budget Revisions summarised at Appendix B.
 - c. the other underlying assumption to the 2016/17 Draft Budget as detailed at Appendix C.

2. Approve that the Scrutiny Panel response be finalised by the Chair and Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

1.0 Purpose

- 1.1 The purpose of this report is to seek the Panel's feedback on the Draft Budget 2016/17 including the related Savings, Redesign and Income Generation Proposals (referred to herein as Savings Proposals), Financial Transactions and Base Budget Revisions (referred to herein as Base Budget Revisions) and underlying Medium Term Financial Strategy (MTFS) assumptions that was approved by Cabinet to proceed for formal consultation and scrutiny stages of the budget process, as appropriate, on 21 October 2015.

2.0 Background

- 2.1 At its meeting on 21 October 2015, the Cabinet considered the Draft Budget for 2016/17. Cabinet approved this as the basis for budget consultation and scrutiny over the forthcoming months.
- 2.2 The Cabinet report identified that due to the uncertain financial future, a full update of the MTFS 2016/17 – 2018/19 would only be conducted once the Spending Review and the Provisional Local Government Finance Settlement have been announced on 25 November and mid-December 2015 respectively.
- 2.3 The Cabinet report recommended that Savings Proposals amounting to £14.1 million in 2016/17 proceed to the formal consultation and scrutiny stages of the budget process. The Savings Proposals that fall within the scrutiny remit of this Panel are shown at Appendix A.
- 2.4 The Cabinet report further identified that £7.1 million of Base Budget Revisions be incorporated into the 2016/17 Draft Budget. The Base Budget Revisions that fall within the scrutiny remit of this Panel are shown at Appendix B.
- 2.5 Included at Appendix C is the other underlying assumption that impacts on the 2016/17 Draft Budget, that falls within the remit of this Panel, for example inflationary, demographic and pay related pressures.
- 2.6 It is important to note that any savings proposals approved as part of prior year budget setting processes have already been scrutinised and approved by Cabinet and are therefore, already included in the MTFS.
- 2.7 As detailed in the Cabinet report, the 2016/17 Draft Budget will be considered by Scrutiny Panels during the November/December round of meetings and the feedback from those meetings will be reported to Scrutiny Board on 15 December 2015, which will consolidate that feedback in a formal response to Cabinet on 13 January 2016. The feedback provided to Scrutiny Board will include questions asked by Panel members, alongside the responses received. These arrangements have been endorsed by the Chair and Vice-Chair of the Scrutiny Board. Cabinet will take into account the feedback from Scrutiny Board when considering the final budget setting report in February 2016, for approval by Full Council in March 2016.

2.8 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. Panel members are instead requested to bring their copy of the 2016/17 Draft Budget report, which was circulated with the 21 October 2015 Cabinet agenda. Detail of all the Council's individual savings proposals, including the latest to be considered by Cabinet on 21 October 2015, can be found on the council's website at:
<http://www.wolverhampton.gov.uk/budgetsavings>

3.0 Proposals relating to the work of this Panel

3.1 Included in the Draft Budget strategy are savings proposals and base budget revisions relating to the remit of this Panel. These are listed at Appendices A and B. The Panel is requested to provide and record its comments on these proposals, for submission to Scrutiny Board and then Cabinet.

3.2 In addition to commenting on these specific savings, the Panel may also request additional information or clarification in relation to the budget and MTFs. Any such requests will be noted separately, either for consideration by the Panel at a future date, or for information to be forwarded to the Panel members concerned.

4.0 Financial implications

4.1 The financial implications are discussed in the body of the report, and in the report to Cabinet. [MH/16112015/S]

5.0 Legal implications

5.1 The legal implications are discussed in the report to Cabinet. [TS/13112015/S]

6.0 Equalities implications

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

7.0 Environmental implications

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

8.0 Human resources implications

8.1 The human resources implications are discussed in the report to Cabinet.

9.0 Schedule of background papers

9.1 Draft Budget 2016/17, report to Cabinet, 21 October 2015

Savings, Redesign and Income Generation Proposals by Cabinet Portfolio

Education

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<p>Building Schools for the Future Private Finance Initiative Refinancing</p> <p>A one off saving achieved by completing a refinancing of PFI Scheme in relation to Highfields and Penn Fields Schools. This will be achieved through the use of reserves; these reserves will be replenished in full during the remaining life of the PFI contract from the deferred income that will be held on the Council's balance sheet.</p>	Councillor Claire Darke	Education	(4,200)	4,200	-

Savings, Redesign and Income Generation Proposals by Cabinet Portfolio

Children and Young People

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<p>Youth Offending Team - efficiency savings</p> <p>The proposal is to reduce the budget for the Youth Offending Team (YOT) by £150,000. These savings are being achieved by the elimination of vacant staffing posts from a number of workstreams within the YOT. One 0.5 post is a management post, and efficiency savings are being created within the administration team and the sessional worker budget.</p>	Councillor Val Gibson	People	(150)	-	-
<p>Children's Services Redesign *</p>	Councillor Val Gibson	People	(4,350)	-	-

* Full details have been reported to Cabinet separately on 11 November 2015 (Children's Services transformation phase two report) which is subject to further discussion later in this meeting.

Financial Transactions and Base Budget Revisions

Children and Young People

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<p>Drawdown of one off grants for Children and Young People</p> <p>As a result of grant funding being available it is possible to reduce the net costs of the service for 2016/17 without impacting on service delivery.</p>	Councillor Val Gibson	People	(623)	623	-

Education

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<p>Primary Capital Programme (expansions) - utilise grant now secured to replace prudential borrowing</p> <p>Some of the Primary School Expansion programme has had to be funded by prudential borrowing in advance of the basic need grant being received. It is proposed to utilise the grant now secured to replace prudential borrowing.</p>	Councillor Claire Darke	Education	(138)	(154)	(239)

2016/17 Draft Budget Assumptions

Budget Growth	
Budget Pressure	2016/17 £000
Children, Young People & Families	
Fostering Allowances within Looked After Children's Services	170
Total Children, Young People & Families	170