

# Stronger City Economy Scrutiny Panel

01 December 2015

<b>Report title</b>	Budget Review - Draft Budget 2016/17	
<b>Cabinet member with lead responsibility</b>	Councillor John Reynolds City Economy	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keith Ireland, Managing Director	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Mark Taylor Tel Email	Director of Finance 01902 554410 Mark.Taylor@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

---

## 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.
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) and Financial Transactions and Base Budget Revisions (referred to herein as Base Budget Revisions) that was approved by Cabinet to proceed for formal consultation and scrutiny stages of the budget process 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 Medium Term Financial Strategy (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 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.
- 2.6 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 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 proposals, 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/17112015/V

### **4.0 Legal implications**

5.1 The legal implications are discussed in the report to Cabinet. RB/18112015/Y

### **5.0 Equalities implications**

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

### **6.0 Environmental implications**

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

### **7.0 Human resources implications**

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

### **8.0 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**

**City Economy**

<b>Details</b>	<b>Cabinet Member</b>	<b>Directorate</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>
<p><b>Phased Removal of remaining Grand Theatre Grant</b></p> <p>The proposal is a phased removal of remaining grant funding to Grand Theatre. Continuing the agreed approach to overall savings in the City Economy Service.</p>	Councillor John Reynolds	Place	(124)	(124)	-
<p><b>Review remaining Lighthouse Media Centre Grant</b></p> <p>The proposal is to remove the remaining grant funding to Light House Media Centre. Continuing the agreed approach to overall savings in the City Economy Service.</p>	Councillor John Reynolds	Place	(73)	-	-
<p><b>Further Restructure of City Economy Services</b></p> <p>Rationalisation of the City Economy Service to meet savings targets and increase flexibility to meet new economic priorities</p>	Councillor John Reynolds	Place	(68)	-	-
<p><b>Increase new commercial activities within cultural venues (Archives, Art Gallery, Bantock House)</b></p> <p>Increased net income across sites</p>	Councillor John Reynolds	Place	(25)	(25)	(25)

**Savings, Redesign and Income Generation Proposals by Cabinet Portfolio**

<b>Details</b>	<b>Cabinet Member</b>	<b>Directorate</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>
<p><b>Further external funding of Outdoor events.</b></p> <p>Reduction of £20,000 from the remaining Outdoor Events budget. Part of the refinement to the Approach to City Economy Events Programme yet to be approved.</p>	Councillor John Reynolds	Place	(20)	(20)	-
<p><b>Bilston Craft Gallery – review current service provision including delivery of exhibitions and craft play</b></p> <p>Continue to deliver craft play and one off events that are externally funded at the Craft Gallery. The main collection and exhibitions to be relocated at the Art Gallery. Make the remaining space available for events and studio hire.</p>	Councillor John Reynolds	Place	(20)	-	-

Financial Transactions and Base Budget Revisions

City Economy

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<b>Drawdown of one off grants for City Economy</b>  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.	Councillor John Reynolds	Place	(139)	139	-