



Health Scrutiny Panel

7 November 2013

Report Title	Budget Review – Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19	
Cabinet Member with Lead Responsibility	Councillor Roger Lawrence Leader of the Council	
	Councillor Andrew Johnson Resources	
Wards Affected	All	
Accountable Strategic Director(s)	Simon Warren, Chief Executive Sarah Norman, Community Keith Ireland, Delivery Tim Johnson, Education and Enterprise	
Originating service	Strategic Finance	
Accountable officer(s)	Mark Taylor Tel Email	Assistant Director Finance 01902 55(6609) mark.taylor@wolverhampton.gov.uk

Recommendation(s) for action or decision:

The Panel is recommended to:

1. Provide feedback to Cabinet on the draft five year budget and medium term financial strategy 2014/15 to 2018/19, in particular those elements that are relevant to this Scrutiny Panel, including specifically:
 - a. the proposals for investment in services detailed at Appendix A;
 - b. the savings proposals detailed at Appendix B.

1. Purpose

- 1.1. The purpose of this report is to seek the panel's feedback on the draft five year budget and medium term financial strategy that was approved as the basis of consultation by the Cabinet on 23 October 2013, in particular the elements that relate to the work of this panel.

2. Background

- 2.1. At its meeting on 23 October 2013, the Cabinet considered a draft five year budget and medium term financial strategy for the period 2014/15 to 2018/19. Cabinet approved the draft budget strategy as the basis of budget consultation and scrutiny over forthcoming months.
- 2.2. The Cabinet report identified that the council needs to make savings of £97.6 million by 2018/19, due to a combination of reductions in resources and cost pressures. The report included a list of savings proposals amounting to £64.4 million to contribute to addressing this savings requirement.
- 2.3. As detailed in the Cabinet report, the five year budget and medium term financial strategy 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 17 December 2013, which will consolidate that feedback in a formal response to Cabinet on 8 January 2014. The feedback provided to Scrutiny Board will include questions asked by panel members, alongside the responses that they received. These arrangements have been endorsed by the Chair and Vice-Chair of the Scrutiny Board.
- 2.4. Scrutiny Board will consider the budget again in January 2014, following an update to Cabinet (Resources) Panel on the draft five year budget and medium term financial strategy and the local government finance settlement, which (report) is scheduled for December 2013. The purpose of this meeting will be to consider the response of Cabinet to the comments made by Scrutiny Board during the November/December round of meetings, together with any new savings proposals that may emerge. The outcome of this Board meeting will be incorporated into the final Cabinet budget report, scheduled for February 2014, ahead of full council considering the budget in March 2014.
- 2.5. 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 Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19 report, which was circulated with the 23 October 2013 Cabinet agenda. Detail of individual savings proposals can be found on the council's website at: <http://www.wolverhampton.gov.uk/budgetsavings>.

3. Proposals relating to the work of this panel

- 3.1. Included in the draft budget and medium term financial strategy are investment in services and savings proposals relating to the remit of this panel. These are listed at Appendix A and B respectively. 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 comment on investment in services and savings proposals, the panel may also request additional information or clarification. 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.
- 3.3. More detailed information on each of the savings proposals is included in the document 'The Cuts – Facing Reality: Your Guide to Wolverhampton City Council's 5 year budget proposals for the period 2014-2019' which can be found on the council's [website](#).'

4. Financial implications

- 4.1. The financial implications are discussed in the body of the report, and in the report to Cabinet.

[DK/28102013/S]

5. Legal implications

- 5.1. The legal implications are discussed in the report to Cabinet.

[JH/28102013/F]

6. Equalities implications

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

7. Environmental implications

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

8. Human resources implications

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

9. Schedule of background papers

- 9.1. Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19, report to Cabinet, 23 October 2013

Inflationary Pressures							
Reference	Budget Pressure	Annual Ongoing Increase					TOTAL
		2014/15	2015/16	2016/17	2017/18	2018/19	
		£000	£000	£000	£000	£000	£000
Community							
PI-Com01	Leisure & Communities, Leisure PFI utility pass through costs anticipated to rise in line with energy costs nationally. The increased costs are not as a result of greater use or an increase in facilities provided. A 3% inflation figure has been used to calculate costs going forward.	82	85	88	90	92	437
Total Community		82	85	88	90	92	437
Total Inflationary Pressures		82	85	88	90	92	437

Summary of Savings Proposals 2014-2015 - Efficiency									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reduction
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000
	Community								
0010	Renegotiation of funding for Independent Living Service	0	0	150	0	0	0	0	150
0027	Subsume the Sports Development Team into the Public Health workforce	0	0	206	0	0	0	0	206
0045	Reduce Staffing in Carers Support Team	2	2	80	0	0	0	0	80
0071	Review of Jointly-Funded Services (Council and NHS)	0	0	100	0	0	0	0	100
0080	Restructure of Mental Health Care Management - Social Work Teams	0	6	0	0	100	100	100	300

Summary of Savings Proposals 2014-2015 - Efficiency									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reduction
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	Over 5 years £000
0083	Explore options to reduce costs of Mental Health in-house provision	0	30	0	125	0	0	0	125
0087	Mental Health Care Assessment and Care Management - Packages of Care	0	0	0	75	100	150	222	547
0137	Commissioning of Early Years and Children's Services using Public Health funding	0	0	350	650	0	0	0	1,000
	Community Total	2	38	886	850	200	250	322	2,508
	Efficiency Total	2	38	886	850	200	250	322	2,508

Summary of Savings Proposals 2014-2015 – Growth Avoidance									
Ref.	Saving Proposal Title	2014-15 Staffing Impli- cation	2014-19 Staffing Impli- cation	2014-15 Base Budget	2015-16 Base Budget	2016-17 Base Budget	2017-18 Base Budget	2018-19 Base Budget	TOTAL Base Budget Reducti on Over 5 years £000
		FTE	FTE	Saving £000	Saving £000	Saving £000	Saving £000	Saving £000	£000
	Community								
0068	Review the Care Packages of People Leaving Hospitals More Quickly	0	0	100	0	0	0	0	100
0183	Management of demographic growth through NHS Partnership for Adult Services	0	0	0	2,000	2,000	2,000	2,000	8,000
	Community Total	0	0	100	2,000	2,000	2,000	2,000	8,100
	Growth Avoidance Total	0	0	100	2,000	2,000	2,000	2,000	8,100