

Scrutiny Board

7 February 2023

Report title	Scrutiny Panels response to 2023-2024 Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Obaida Ahmed Resources and Digital City	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye Tel Email	Director of Finance 01902 550478 Claire.nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Resident, Housing and Communities Scrutiny Panel Economy and Growth Scrutiny Panel Health Scrutiny Panel Resources and Equalities Scrutiny Panel Strong Families, Children and Young People Scrutiny Panel Fulfilled Adult Lives Scrutiny Panel	3 January 2023 17 November 2022 30 November 2022 12 December 2022 19 December 2022 11 January 2023 17 January 2023

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 2023-2024 to 2025-2026 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 2023-2024 Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026.

2.0 Background

- 2.1 The City of Wolverhampton Council has built up a strong track record over many years of managing its finances well and despite reductions in government funding, consistently setting a balanced budget. Over the last thirteen years budget setting processes, the Council has identified budget reductions in the region of £240 million. Our approach to strategic financial management, aligning budgets to service priorities and improving services, and investing in transformation priorities, continues to put us in a strong financial position.
- 2.2 On 2 March 2022, the Council approved the net budget requirement for 2022-2023 of £267.2 million for General Fund services. This was the eighth-year running the Council was able to set a balanced budget without the need to make use of general fund reserves. It is projected that the Council would be faced with finding further estimated budget reductions totalling £12.6 million in 2023-2024 rising to £25.8 million by 2025-2026.
- 2.3 Cabinet have been updated throughout the year as work progressed to address the budget deficit. In October 2022, Cabinet received a report with an update on progress towards the budget strategy 2023-2024 and future years, when taking into account the latest information available on the external factors identified and other emerging pressures that are faced by the Council. It was reported that the updated forecast budget deficit was £7.1 million for 2023-2024, rising to £31.6 million by 2025-2026, and work would continue to be undertaken to bring forward proposals to set a balanced budget for 2023-2024 and deliver a sustainable medium term financial strategy.
- 2.4 Since October, the 2023-2024 budget setting process has continued with the identification of emerging budget pressures, in particular the increasing cost pressures due to rising inflation, analysis of the provisional settlement and further efficiency measures.
- 2.5 An update on the draft budget 2023-2024 and Medium Term Financial Strategy 2023-2024 to 2025-2026 is on this agenda for Scrutiny Board to review.
- 2.6 The 2023-2024 Final budget and Medium Term Financial Strategy 2025-2026 report will be submitted to Cabinet on 22 February 2023 and Full Council on 1 March 2023.

3.0 Our City Our Plan

- 3.1 The Council's strategic approach to address the budget deficit is to align resources to Our City, Our Plan which was approved by Full Council on 2 March 2022.
- 3.2 The plan continues to identify an overarching ambition that 'Wulfrunians will live longer healthier lives' delivered through six overarching priorities:
- Strong families where children grow up well and achieve their full potential
 - Fulfilled lives for all with quality care for those that need it
 - Healthy, inclusive communities
 - Good homes in well-connected neighbourhoods
 - More local people into good jobs and training
 - Thriving economy in all parts of the city
- 3.3 These priorities together with the associated key outcomes, objectives and activity form a framework to improve outcomes for local people and deliver our levelling up ambitions.
- 3.4 Supporting the six overarching priorities are three cross cutting principles.
- Climate Conscious
 - Driven by Digital
 - Fair and Equal
- 3.6 The Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 has been considered by all Scrutiny Panels between November 2022 to January 2023. The feedback from each Scrutiny Panel is included in Appendices 1 to 6. This feedback along with further comments received at Scrutiny Board on 7 February 2023 will be sent as a formal response to Cabinet.

4.0 Scrutiny Board Recommendations

- 4.1 Comments from each of the Scrutiny Panels is included at:
1. Appendix 5 – Resident, Housing and Communities Scrutiny Panel
 2. Appendix 6 – Economy and Growth Scrutiny Panel
 3. Appendix 7 – Health Scrutiny Panel
 4. Appendix 8 – Resources and Equality Scrutiny Panel
 5. Appendix 9– Stronger Families, Children and Young People City Scrutiny Panel
 6. Appendix 10 – Fulfilled Adult Lives Scrutiny Panel
- 4.2 The Board is requested to review the comments and further scrutinise the Draft Budget and Medium Term Financial Strategy 2023-2024 to 2024-2025 and how it is aligned to the priorities of the Council, for submission to Cabinet and Full Council.

5.0 Financial implications

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

6.0 Legal implications

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

7.0 Equalities implications

7.1 The equalities implications are discussed in the draft budget report

8.0 All other implications

8.1 All other implications are considered in the draft budget report.

9.0 Schedule of background papers

9.1 Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026, report to Cabinet on 23 February 2022 and Full Council 2 March 2022.

Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026, report to Cabinet on 19 October 2022.

2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026, reported to:

Appendix 1- Resident, Housing and Communities Scrutiny Panel	17 November 2022
Appendix 2 - Economy and Growth Scrutiny Panel	30 November 2022
Appendix 3 - Health Scrutiny Panel	12 December 2022
Appendix 4 - Resources and Equality Scrutiny Panel	19 December 2022
Appendix 5 - Stronger Families, Children and Young People City Scrutiny Panel	11 January 2023
Appendix 6 - Fulfilled Adult Lives Scrutiny Panel	17 January 2023