

Confident, Capable Council Scrutiny Panel

Minutes - 11 January 2017

Attendance

Members of the Confident, Capable Council Scrutiny Panel

Cllr Alan Bolshaw
Cllr Jacqueline Sweetman
Cllr Mary Bateman
Cllr Caroline Siarkiewicz
Cllr Andrew Wynne (Vice-Chair)
Cllr Harbans Bagri
Cllr Rita Potter (Chair)
Cllr Dr Michael Hardacre
Cllr Louise Miles
Cllr Udey Singh
Cllr Paula Brookfield
Cllr Ian Brookfield

Employees

Earl Piggott-Smith	Scrutiny Officer
Mark Taylor	Director of Finance

Part 1 – items open to the press and public

Item No. *Title*

1 **Apologies**

Apologies were received from the following members of the panel:

Cllr Payal Bedi-Chadha

2 **Declarations of interest**

There were no declarations of interest recorded.

3 **Minutes of previous meeting (16 November 2016)**

Corrections

Matters arising

The panel agreed to the following amendment to the second paragraph

“Cllr Wynne commented that the meeting was very constructive and the information provided gave a snapshot view of the local economy.”

That the minutes of the meeting held on 16 November 2016, subject to the agreed change, be approved as a correct record and signed by the Chair.

4 **Matters arising**
Minute 6: Draft Budget and Medium Term Financial Strategy 2017/18 - 2019/20

School Admission Appeal Fees

The panel discussed the item and requested that a report on the proposal, if approved by Council on 1 March 2017, to increase the level of fees to schools for providing an education appeals service is presented to the meeting on 15 March 2016.

The panel expressed concern that schools may choose to either buy the service from another provider or undertake the work themselves. The panel would also like the report on the demand for school places, the increase in the number of appeals, the work being done to manage the situation and respond to concern of parents about getting their first choice of school. The report to be presented to the panel meeting on 15 March 2017.

The panel expressed concern that a report on employee equalities monitoring that was requested at the last meeting was not on the agenda for discussion. The panel agreed that a report with the information be presented at the meeting on 15 March 2017.

The panel also requested a report on policy and practice concerning the completion of the equalities implications statements in cover reports is presented to Councillors for discussion.

5 **Wolverhampton City-Wide Financial Strategy**
Mark Taylor, Director of Finance, presented the report and gave an outline on the background to the work done during Phase 1 and the plans for Phase 2 to develop a City Wide Financial Strategy.

The Director of Finance commented that the total public sector budget deficit for the City of Wolverhampton is estimated to be £417 million and that of the seven MET's, only Solihull Council had an estimated public sector budget surplus.

The Director of Finance gave further details of the work done during Phase 1 and explained that the aim is to align the findings to existing strategies, for example The City Strategy, and to put a plan into action to create new jobs. The panel suggested that it might be useful for a joint meeting to be held with members of the Vibrant and Sustainable City Scrutiny Panel to consider the report findings.

The panel queried the implications of the budget deficit figure of £1.8 billion for Birmingham and what impact, if any, it would have on efforts to regenerate the regional economy. The Director of Finance responded that the estimated deficit is a reflection of the reliance of Birmingham on the receiving central grant funding from the state. The Director of Finance added that the budget position of Birmingham would not have a direct impact on the economy of Wolverhampton. However, the

situation will affect the ability of Birmingham to create jobs and respond to challenges of delivering services with reduced levels of Government funding.

The panel discussed the methodology used to calculate the estimates detailed for total public sector deficits across the region and queried its reliability. There was concern expressed that the information detailed in the report could be used to justify further reductions in the level of public sector spending and sought some reassurance.

The Director of Finance explained that the analysis work was done by Black Country Economic Unit, using the United Nations Classification of the Functions of Government, an established methodology. In addition, the model replicates the Centre for Cities model used to establish where tax is raised and spent.

The Director of Finance referred the panel to Appendix 2 of the report which gives more details about the analysis and sources of further information about the breakdown of public sector expenditure. The Director of Finance accepted that while the figures quoted are based on estimates, the approach is based on tried and trusted approaches to calculating income and expenditure at regional and national levels. This approach ensures that the results can be compared to anywhere else that uses this methodology.

There was concern that while the information was useful in future planning it important to remember that Wolverhampton is in a deprived region which is reliant on central government grant funding to deliver services.

The panel commented on the key overarching goals for inclusive growth as detailed in the City Strategy document.

A comment was made that the goal of reducing levels of child poverty should be the overall priority given its impact on City and efforts to improve the local economy and whether the economic targets were ambitious enough. The Director of Finance noted the comment and agreed to refer the proposal to the working group to consider during Phase 2 and acknowledged the impact of the wider dependencies linked to poverty on the city.

The Director of Finance commented that the targets for the city need to be owned by the City Board, working with partners in this way would be essential in order to deliver the Vision 2030. The Director of Finance added that the information produced in Phase 1 will provide a baseline that could be used to measure progress over time.

The panel discussed the need to be confident that the assumptions used in the methodology is properly tested for rigour and reliability to meet its responsibility and firm basis to assess both progress and performance against targets set. The panel agreed that a short briefing paper should be prepared with further details about the methodology and assumptions used to calculate estimates. The panel requested details of the members of the working group that will be leading Phase 2 and the terms of reference. The information to be sent to the panel when available.

The panel welcomed the report and agreed to monitor progress.

Resolved

1. The Director of Finance to arrange for a briefing paper with details of the membership and terms of reference of the working set up to develop a City Wide Financial Strategy by June 2017.
2. The Director of Finance to prepare a short briefing paper to explain the methodology and assumption used when calculating the estimate of the public sector figure.
3. The panel agreed to review progress of the City Wide Financial Strategy document for Phase 2 at a future meeting.
4. The panel comments on the Phase 1 and Phase 2 to be shared with the working group set up to develop a City-Wide Financial Strategy.