

Scrutiny Board

6 February 2024

Report title	Scrutiny Panel response to Performance, Budget and Medium Term Financial Strategy	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	James Howse	Interim Director of Finance
	Email	James.Howse@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	19 September 2023
	Climate Change, Housing and Communities Scrutiny Panel	16 November 2023
	Economy and Growth Scrutiny Panel	29 November 2023
	Health Scrutiny Panel	14 December 2023
	Resources and Equalities Scrutiny Panel	7 December 2023
	Children and Young People Scrutiny Panel	22 November 2023
	Adults Scrutiny Panel	5 December 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 2024-2025 and Medium Term Financial Strategy 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 Draft Budget 2024-2025 and Medium Term Financial Strategy.

2.0 Background

- 2.1 Local authorities across the country are struggling with unprecedented financial challenges with reduced income and increased demands. Councils are also faced with additional uncertainty of factors such as the ongoing cost of living crisis and rising inflation.
- 2.2 The City of Wolverhampton Council continues to demonstrate a strong track record of managing our money well, setting a balanced budget for nine consecutive years without the need to use general fund balances. This is despite the need to identify budget reductions in the region of £240 million over the last thirteen budget setting processes.
- 2.3 The budget report to Full Council on 1 March 2023 projected that the Council would be faced with finding further estimated budget reductions totalling £16.4 million in 2024-2025, rising to £23.1 million by 2025-2026.
- 2.4 On 26 July 2023, Cabinet received a further update on 2024-2025 draft budget. It was reported that whilst we continue to operate with the uncertainty of cost pressures due to inflationary pressures and rising demand for social care, along with the uncertainties of the level of resources that will be available to the Council, work was underway to develop a budget strategy that will enable the Council to balance the budget for 2024-2025.
- 2.5 On 18 October 2023, Cabinet received a further update on 2024-2025 draft budget. The projected budget deficit for 2024-2025 was forecast to be in the region of £2.6 million for 2024-2025. In addition, it was reported that there were corporate efficiency targets in 2023-2024 and 2024-2025 totalling £6.8 million which were still to be identified on a recurrent basis, taking the overall forecast budget challenge to £9.4 million in 2024-2025.
- 2.6 The 2023-2024 Final budget and Medium Term Financial Strategy 2025-2026 report will be submitted to Cabinet on 21 February 2024 and Full Council on 28 February 2024.

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 1 March 2023.
- 3.2 Our City: Our Plan sets out the six overarching priorities which will guide the Council's approach to ensure Wulfrunians will live longer, healthier lives, with an additional priority looking at how the Council operates. These are:

- 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
- Our Council

3.3 Our six overarching priorities are supported by three cross cutting principles:

- Climate Action.
- Driven by Digital
- Fair and Equal. .

3.6 The Draft Budget 2024-2025 and Medium Term Financial Strategy has been considered by all Scrutiny Panels between November 2023 to December 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 6 February 2024 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 1 – Climate Change, Housing and Communities Scrutiny Panel
2. Appendix 2 – Children and Young People Scrutiny Panel
3. Appendix 3 – Economy and Growth Scrutiny Panel
4. Appendix 4 – Adults Scrutiny Panel
5. Appendix 5 – Resources and Equality Scrutiny Panel
6. Appendix 6 – Health Scrutiny Panel

4.2 The Board is requested to review the comments and further scrutinise the Draft Budget 2024-2025 and Medium Term Financial Strategy 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 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026, report to Cabinet on 22 February 2023 and Full Council 1 March 2023.

Performance and Budget Monitoring 2023-2024 and Budget Update 2024-2025, report to Cabinet on 26 July 2023.

Draft Budget 2024-2025 and Medium Term Financial Strategy, report to Cabinet on 18 October 2023.

Draft Budget 2024-2025 and Medium Term Financial Strategy, reported to the following scrutiny panels:

Appendix 1 – Climate Change, Housing and Communities	16 November 2023
Appendix 2 – Children and Young People	22 November 2023
Appendix 3 – Economy and Growth	29 December 2023
Appendix 4 – Adults	5 December 2023
Appendix 5 – Resources and Equalities	7 December 2023
Appendix 6 – Health	14 December 2023