

Cabinet Meeting

18 January 2017

Report title	Scrutiny Board Comments – Draft Budget and Medium Term Financial Strategy 2017/18 to 2019/20	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor Tel Email	Director of Finance 01902 55(4410) mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Confident, Capable Council Scrutiny Panel Stronger City Economy Scrutiny Panel Health Scrutiny Panel Adults and Safer City Scrutiny Panel Children, Young People and Families Scrutiny Panel Vibrant and Sustainable City Scrutiny Panel Scrutiny Board	11 October 2016 16 November 2016 22 November 2016 24 November 2016 6 December 2016 7 December 2016 8 December 2016 13 December 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Consider the comments from the Scrutiny Board in relation to the Draft Budget and Medium Term Financial Strategy 2017/18 to 2019/20.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet with Scrutiny Board's feedback on the Draft Budget and Medium Term Financial Strategy 2017/18 - 2019/20 following its meeting on 13 December 2016.

2.0 Background and Summary

- 2.1 At its meeting on 19 October 2016, Cabinet considered the Draft Budget and Medium Term Financial Strategy 2017/18 - 2019/20 as the basis of budget consultation and scrutiny over forthcoming months. The Cabinet report recommended that Budget Reduction and Income Generation Proposals amounting to £13.5 million and £10.0 million of Base Budget Revisions in 2017/18 proceed to the formal consultation and scrutiny stages of the budget process.
- 2.2 These proposals were subsequently scrutinised by the relevant Scrutiny Panel(s) during November and December and each Panel's comments were reviewed by the Council's Scrutiny Board on 13 December for subsequent feedback to Cabinet. The purpose of this report is to consider that feedback.

3.0 Draft Budget 2017/18

- 3.1 An extract from the minutes of the Scrutiny Board meeting on 13 December 2016, detailing the resolutions arising from its consideration of individual Scrutiny Panel comments on the Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, is shown at Appendix A.
- 3.2 The reports to Scrutiny Board and individual Scrutiny Panels are listed at section 9.0 below.

4.0 Financial Implications

- 4.1 The financial implications are discussed in the body of the report and in the detailed reports to Scrutiny Board and the individual Scrutiny Panels. Should any of the budget reduction and income generation proposals considered by Scrutiny Panels not be delivered, alternative proposals will have to be identified.

[MH/19122016/S]

5.0 Legal Implications

- 5.1 There are no direct legal implications arising from this report. Cabinet's consideration of the items presented in this report is consistent with the Financial Procedural Rules outlined in the Council's Constitution.

[RB/05012017/L]

6.0 Equalities implications

6.1 There are no direct equalities implications arising from this report.

7.0 Environmental Implications

7.1 There are no direct environmental implications arising from this report.

8.0 Human resources implications

8.1 There are no direct human resources implications arising from this report.

9.0 Schedule of Background Papers

9.1 Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, report to Cabinet, 19 October 2016.

Draft Budget and Medium Term Strategy 2017/18 - 2019/20, report to:

Confident, Capable Council Scrutiny Panel (link to report)	16 November 2016
Stronger City Economy Scrutiny Panel (link to report)	22 November 2016
Health Scrutiny Panel (link to report),	24 November 2016
Adults and Safer City Scrutiny Panel (link to report)	6 December 2016
Children, Young People and Families Scrutiny Panel (link to report)	7 December 2016
Vibrant and Sustainable City Scrutiny Panel (link to report)	8 December 2016
Scrutiny Board (link to report)	13 December 2016

Relevant Extract from Minutes of the Meeting of the Scrutiny Board on 13 December 2016

Attendance

Members of the Scrutiny Board

Cllr Ian Angus
Cllr Peter O'Neill
Cllr Stephen Simkins (Chair)
Cllr Jacqueline Sweetman
Cllr Philip Bateman
Cllr Greg Brackenridge
Cllr Jasbir Jaspal
Cllr Arun Photay
Cllr Rupinderjit Kaur
Cllr Louise Miles
Cllr Patricia Patten (Vice-Chair)

Cllr Andrew Johnson - Cabinet Member Resources and Cllr Val Gibson – Cabinet Member for Children and Young People.

Employees

Mark Taylor	Director of Finance
Colin Parr	Head of Governance
Dawn Williams	Head of Safeguarding
Steve Rice	Customer Engagement Manager
Sarah Campbell	Customer Engagement Officer
Julia Cleary	Scrutiny and Systems Manager

Part 1 – items open to the press and public

Item No. Title

- 1. Apologies for absences**
Apologies for absence were received from Cllr Potter and Cllr Brookfield.
- 2. Declaration of Interests**
There were no declarations of interest.
- 3. Minutes of previous meeting**
Resolved:
That the minutes of the previous meeting be approved as a correct record and signed by the Chair.

4. Matters Arising

There were no matters arising.

5. Draft Budget

Cllr Andrew Johnson, Cabinet Member for Resources presented a report seeking feedback from Scrutiny Board in relation to the Draft Budget and Medium Term Financial Strategy 2017/18 that had been approved as the basis of consultation by Cabinet on 19 October 2016. Cllr Johnson confirmed that the public consultation was on going until 14 January 2017 and that there had been a good response so far with over 2000 online responses being received.

Cllr Johnson confirmed that the Council needed to achieve Budget Reduction and Income Generation amounting to £13.5 million and £10.0 million of Base Budget Revisions for 2017/18. Cllr Johnson stated that £10 million of savings had already been identified which left a remaining deficit of £13,539,000.

Members expressed concern that additional money needed to be found to fund social care and queried whether there was any additional information regarding whether this would need to be achieved by raising the Council Tax precept or whether money from the Better Care Fund might be made available sooner than previously expected. Cllr Johnson stated that this was still an unknown but that the preference would be to bring forward money from the Better Care Fund. The Chair suggested that once the final details had been received that there might be scope for a piece of joint working with the Health Scrutiny Panel and representatives from the CCG and Royal Wolverhampton NHS Trust.

A question was raised in relation to items on page 11 of the first supplementary agenda regarding revisions to assumptions on pension auto-enrolment and further pension contributions. The Finance Director confirmed that the City Council was currently in a position where additional payments could be made to avoid significant interest costs. The Panel queried why other Councils were not doing this and the Cabinet Member stated that management of the pension fund was a matter for each individual authority and that the City of Wolverhampton Council was able to make the additional payments due to careful management of its savings.

The Board agreed that it was vital that the Council maintained a clear understanding of the situation regarding the Pension Fund. The Cabinet Member agreed and stated that the Council was currently doing an excellent job and that many issues had arisen due to staff taking redundancy and then their pensions and this not being balanced out by the contributions from the remaining reduced workforce. However the Council had budgeted for this and was now in a position where the aforementioned advance payments could be made.

Members requested that a presentation be provided to the Board at a future meeting in relation to the Pension Fund.

Appendix A

Members queried how the projected savings of £1,000,000 listed on page 16 of the first supplementary agenda in relation to the use of public health funding would be made. The Cabinet Member stated that this came from a strictly ring fenced budget but that the rules did allow for some adjustments to be made as long as the funding was used for activities that promoted public health.

The Board considered the proposed savings in relation to adults social and health care and acknowledged that there were serious issues relating to adult care right across the country that would need to be addressed over the next 12 months. Many of these issues related to demographic growth and the Board noted the additional budget that had been allocated for this. The Cabinet Member confirmed that many of the savings came from the promotion of independence, better ways of working and the use of new technology such as the telecare system which allowed patients to remain at home for longer rather than having to enter residential care. The Board did however note that many of these savings benefited the Health Service and that that some negotiation needed to take place to ensure that the benefits were shared by the Council. The Cabinet Member agreed and stated that the Adult Care service as a whole was in need of additional resources on a scale that could only be provided by Central Government.

The Board considered the importance of including the Communications team in disseminating information relating to this area to explain to the public what the Council was doing. The Cabinet Member agreed and stated that this would be done once a decision had been made by the Government as to the settlement.

The Chair stated that it was vital that there were robust governance procedures in place and that it was important that the Council be in a position to act as broker for the various health and social care partners who would be involved.

Members considered the savings in relation to car park usage on page 23 of the second supplementary and requested that there be careful consideration regarding the impact of charges on businesses in the area to ensure that trade was not lost. The Cabinet Member confirmed that this would be taken into consideration and that the current proposals dealt with charges being incurred after a 2 or 3 hour stay rather than for short stays. The Cabinet Member also confirmed that issues such as displacement would be taken into account and proper qualitative surveying and consultation carried out before any decisions were made. The Chair of the Vibrant and Sustainable Scrutiny Panel confirmed that his Panel had requested a detailed report on this to come to a future meeting.

Resolved:

1. That the comments of the Scrutiny Board on the Draft Budget and Medium Term Financial Strategy 2017/18 be considered by Cabinet.
2. That a report be brought to a future meeting of the Board in relation to the Pension Fund.