

Cabinet Meeting

18 January 2017

Report title	Budget 2017/18 – Consultation Update	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Mark Taylor, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Claire Nye Tel Email	Chief Accountant 01902 550478 Claire.Nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	20 December 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to approve:

1. That authority be delegated to Cabinet (Resources) Panel to consider and review the final responses to the 2017/18 budget consultation on 7 February 2017, and to take the responses into account for the Final Budget 2017/18 to be reported to Cabinet on 22 February 2017.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet with an update on the Budget Consultation 2017/18 being undertaken to support the 2017/18 budget setting process.
- 1.2 The report to Cabinet (Resources) Panel on 7 February 2017 will reflect the outcome of budget consultation, which is due to finish on 14 January 2017, and will enable the Panel to take the responses into account for the Final Budget 2017/18 to be reported to Cabinet on 22 February 2017.

2.0 Background

- 2.1 The Council continues to be faced with a challenging projected financial position over the medium term, and significant Budget Reduction and Income Generation proposals are required in order to maintain a robust financial position.
- 2.2 In March 2016, it was reported at Full Council that the Council would be faced with finding further Budget Reduction and Income Generation proposals totalling £54.6 million over the three year period to 2019/20 and approval was given that work started immediately to identify opportunities to deliver the £22.2 million projected budget deficit in 2017/18. It is important to note that the updated projected budget deficit assumes the achievement of prior year Budget Reduction and Income Generation proposals amounting to £37.4 million over the four year period to 2019/20.
- 2.3 When identifying budget reduction and income generation proposals the Council's strategic approach to address the budget deficit continues to be to align resources to the Corporate Plan to achieve:
 - a Stronger Economy,
 - a Stronger Community,
 - a Stronger Organisation.

The Council does not want to simply manage decline, investment in the future is essential for both the Council and the City.

- 2.4 A report was presented to Cabinet in October 2016, which detailed the outcome of work that has been in progress across all areas of the Council to identify budget reduction and income generation targets to deliver the strategy of identifying £22.2 million for 2017/18.
- 2.5 The projected target of £22.2 million at March 2016 was revised to £23.5 million. This was due to a number of proposals being reprofiled or removed.
- 2.6 The targets have now been classified into proposals upon which the outcome of formal budget consultation is required – budget reduction and income generation proposals – and proposals which can be implemented without reliance on the outcome of formal budget consultation – Financial Transactions and Base Budget Revisions.

- 2.7 Cabinet approved that 32 Budget Reduction and Income Generation proposals totalling £13.5 million proceed to formal budget consultation and scrutiny stages of the budget process, whilst 24 Financial Transactions and Base Budget revisions totalling £10.0 million in 2017/18 be incorporated into the 2017/18 Draft Budget and did not form part of the public consultation.
- 2.8 There are 32 Budget Reduction and Income Generation proposals for 2017/18 that have been identified at this stage and have been summarised by Cabinet Portfolio in the table below:

Table 1 – Budget Reduction and Income Generation Proposals for 2017/18 by Cabinet Portfolio

Cabinet Portfolio	No.	2017/18 £000
Adult Services	6	(4,835)
Children and Young People	4	(3,014)
Public Health and Wellbeing	-	-
City Housing and Assets	4	(1,200)
City Economy	1	(200)
City Environment	8	(3,250)
Resources	4	(170)
Governance	5	(870)
Education	-	-
Total	32	(13,539)

- 2.9 Details of the Budget Reduction and Income Generation proposals totalling £13.5 million in 2017/18 have been made available on the Council's website since the 24 October 2016, and are the subject of this report. The consultation is branded as 'Delivering What Matters With Less'.
- 2.10 The Council's budget consultation takes place from 24 October 2016 to 14 January 2017 as part of the budget setting process for 2017/18. All of the consultation and analysis is conducted in-house and this will be a major factor in keeping the cost of delivery to a minimum.
- 2.11 During the consultation period, there have been stakeholder engagement meetings with the local community, the Business Community, the Voluntary and Community Sector, the Older People's Forum and Trade Unions.
- 2.12 Presentations have been carried out at each of these meetings by the Cabinet Member for Resources, Councillor Johnson, and the Director of Finance or Chief Accountant. The Cabinet Member for City Environment, Councillor Evans, participated in presentations at

the local community consultations and the Cabinet Member for City Economy, Councillor Reynolds at the Business Community meeting, assisted by appropriate senior council employees. The public and Council employee's views are also being obtained through social media and by an online and booklet survey. The online survey can be found by following this [link](#).

3.0 Key Findings

- 3.1 To gather views on the 32 Budget Reduction and Income Generation proposals, the Council's budget consultation is running for a period of 12 weeks from 24 October 2016 and 14 January 2017 using a range of consultation mechanisms.
- 3.2 In the following paragraphs, a summary of the participants in the stakeholder and community group meetings, plus details of other groups and interested parties that have provided their views and opinions so far, are provided.
- 3.3 The following stakeholder engagement meetings have been held:
- 4 Community meetings;
 - 1 Voluntary and Community Sector meeting;
 - 1 Trade Union meeting;
 - 1 Business Community meeting; and
 - 1 Wolverhampton Older People's Forum.
- 3.4 106 (67 - 2016/17) members of the public/representatives have attended the stakeholder meetings. The breakdown of attendees is as follows:
- 3 (0 – 2016/17) attendees at Bob Jones Centre, Blakenhall;
 - 10 (9 – 2016/17 Bilston Town Hall) attendees at Bert Williams Leisure Centre, Bilston;
 - 24 (2 – 2016/17) attendees at Bantock Tractor Shed, Bradmore;
 - 9 (1 – 2016/17) attendees at Low Hill Community Centre, Low Hill;
 - 14 (24 – 2016/17) attendees at a Voluntary and Community Sector meeting, Council Chamber;
 - 14 (8 – 2016/17) attendees at Business Breakfast, Mayoral Chambers;
 - 16 (6 – 2016/17) attendees at Trade Union meeting; and
 - 16 (17 – 2016/17) attendees at Wolverhampton Older People's Forum.
- 3.5 The Council are using a range of methods including face to face, online survey and written communications to gather responses during the consultation. The consultation is being publicised via a range of different medias; the Council website, the Facebook page "Wolverhampton Today", and Twitter.
- 3.6 As at 22 November 2016, 1,963 individuals took part in the budget consultation survey. This represents an increase of over 90% on the total responses of last year's consultation of 1,030 responses. The current consultation ends on 14 January 2017 and reminders will be sent to encourage more responses.
- 3.7 Appendix A shows a heatmap of the City of Wolverhampton as at 22 November 2016 with the location of the respondents who provided a postcode when completing the

survey. The heatmap is based on 1,383 of the 1,963 respondents who provided postcodes. This equates to nearly 71% of the total response rate. The heatmap should be used with caution as 29% of respondents are not recorded. However, it does demonstrate that responses have been received from across the City.

3.8 The themes that respondents have had the opportunity to comment on are:

- Redesigning services to deliver savings;
- Generating income to help balance the books;
- Public and business volunteering to help balance the books;
- Cease funding to help balance the books;
- Waste collection services;
- Garden waste services;
- Outlaying car parks; and
- Raising Council Tax.

4.0 Conclusions

4.1 Cabinet are recommended to approve that authority be delegated to Cabinet (Resources) Panel to consider and review the final responses to the 2017/18 budget consultation on 7 February 2017.

4.2 The Final Budget will take into account the completed set of responses to the consultation when it is presented to Cabinet on 22 February 2017, prior to the Final Budget 2017/18 being presented to Full Council on 1 March 2017 for approval.

5.0 Financial implications

5.1 The final outcome of budget consultation will be taken into account in the Cabinet's final budget recommendations to Full Council on 1 March 2017.

5.2 Should any changes be made to the 2017/18 Draft Budget as a result of the findings of the budget consultation exercise, which results in an increased net budget requirement, new proposals of an equivalent value will have to be urgently identified to address the projected budget deficit.

[RP/15122016/F]

6.0 Legal implications

6.1 The legal duty for a council's finances falls within S151 of the Local Government Act 1972. Arrangements for the proper administration of their affairs is secured by the S151 Officer (the Director of Finance).

6.2 Section 138 of the Local Government and Public Involvement in Health Act 2007 placed a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other

things by being consulted about the exercise of the function. The 2010 Equality Act whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function. Failure to meet the requirements in the Public Sector Equality Duty may result in the Council being exposed to costly, time-consuming and reputation-damaging legal challenges.

- 6.3 A detailed report on consultation feedback from all phases of consultation is, therefore, presented to Cabinet.

[TS/14122016/A]

7.0 Equalities implications

- 7.1 Each of the 32 budget reduction and income generation proposals covered by the Budget Consultation 2017/18 has been the subject of an initial equalities screening and, where necessary, a full equalities analysis has been undertaken. Details of this work were published as part of the public consultation on the 2017/18 proposals. Further analysis will be carried out before the final draft budget is presented to Cabinet in February and Council in March, which will include a cumulative analysis of the various proposals to ensure Councillors can pay due regard to the equalities implications of their budget decisions.

8.0 Environmental implications

- 8.1 Environmental implications will be addressed on a case by case basis as part of individual proposals.

9.0 Human resources implications

- 9.1 Any reductions in employee numbers will be achieved in line with the Council's HR voluntary redundancies in the first instance, and through access to redeployment. Given the volume and range of the proposals, there will be reductions in services and employee numbers which will require fair and due process to be followed regarding consultation, selection and implementation of any compulsory redundancies.
- 9.2 The Council will ensure that appropriate support is made available to employees who are at risk of and selected for redundancy, and will work with partner and external agencies to provide support. Proposals to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations.
- 9.3 There is on-going consultation with the trade unions on the impact of the Council's budgetary position and the proposals being made to meet the challenges posed by it.

10.0 Corporate landlord implications

- 10.1 Corporate landlord implications will be addressed on a case by case basis as part of individual proposals.

11.0 Schedule of background papers

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

Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, report to Cabinet, 20 July 2016

2016/17 Budget and Medium Term Financial Strategy 2016/17 - 2019/20, report to Cabinet, 24 February 2016

Location of Budget Consultation Respondents by Postcode

