



Enterprise & Business Scrutiny Panel

2 December 2014

Report Title	Budget Review – 2015/16 Budget and Medium Term Financial Strategy 2015/16 – 2018/19	
Cabinet Member with Lead Responsibility	Councillor Roger Lawrence Leader of the Council	
	Councillor Andrew Johnson Resources	
Wards Affected	All	
Accountable Strategic Director(s)	Keith Ireland, Managing Director Sarah Norman, Community Tim Johnson, Education and Enterprise	
Originating service	Strategic Finance	
Accountable officer(s)	Mark Taylor Tel Email	Assistant Director Finance 01902 55(6609) mark.taylor@wolverhampton.gov.uk

Recommendation(s) for action or decision:

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the draft budget and medium term financial strategy 2015/16 to 2018/19, in particular those elements that are relevant to this Scrutiny Panel, including specifically:
 - a. the savings proposals summarised at Appendix A.
2. Approve that the Scrutiny Panel response be finalised by the Chair and Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

1. Purpose

- 1.1. The purpose of this report is to seek the panel's feedback on the draft five year budget and medium term financial strategy that was approved as the basis of consultation by the Cabinet on 22 October 2014, in particular the elements that relate to the work of this panel.

2. Background

- 2.1. At its meeting on 22 October 2014, the Cabinet considered a draft budget and medium term financial strategy for the period 2015/16 to 2018/19. Cabinet approved the draft budget strategy as the basis of budget consultation and scrutiny over forthcoming months.
- 2.2. The Cabinet report identified a requirement to make further savings of £59.2 million by 2018/19, due to a combination of reductions in resources and cost pressures. The report included a list of new savings amounting to £8.9 million to contribute to addressing this savings requirement, in addition to £18.1 million of savings that were approved for further development by Cabinet on 25 June 2014.
- 2.3. As detailed in the Cabinet report, the budget and medium term financial strategy will be considered by scrutiny panels during the November/December round of meetings and the feedback from those meetings will be reported to Scrutiny Board on 9 December 2014, which will consolidate that feedback in a formal response to Cabinet on 14 January 2015. The feedback provided to Scrutiny Board will include questions asked by panel members, alongside the responses that they received. These arrangements have been endorsed by the Chair and Vice-Chair of the Scrutiny Board.
- 2.4. Scrutiny Board will consider the budget again in January 2015, following an update to Cabinet (Resources) Panel on the draft budget and medium term financial strategy and the local government finance settlement, which is scheduled for January 2015. The purpose of this meeting will be to consider the response of Cabinet to the comments made by Scrutiny Board during the November/December round of meetings, together with any new savings proposals that may emerge. The outcome of this Board meeting will be incorporated into the final Cabinet budget report, scheduled for February 2015, ahead of full council considering the budget in March 2015.
- 2.5. In order to limit the volume of paper used as part of the budget reporting process, the Cabinet report has not been appended to this covering report. Panel members are instead requested to bring their copy of the 2015/16 Budget and Medium Term Financial

Strategy 2015/16 – 2018/19 report, which was circulated with the 22 October 2014 Cabinet agenda. Detail of individual savings proposals can be found on the council's website at: <http://www.wolverhampton.gov.uk/budgetsavings>.

3. Proposals relating to the work of this panel

- 3.1. Included in the draft budget and medium term financial strategy are savings proposals relating to the remit of this panel. These are listed at Appendix A. The panel is requested to provide and record its comments on these proposals, for submission to Scrutiny Board and then Cabinet.
- 3.2. In addition to commenting on these specific savings proposals, the panel may also request additional information or clarification in relation to the budget and medium term financial strategy. Any such requests will be noted separately, either for consideration by the panel at a future date, or for information to be forwarded to the panel members concerned.

4. Financial implications

- 4.1 The financial implications are discussed in the body of the report, and in the report to Cabinet. [MF/30102014/S]

5. Legal implications

- 5.1. The legal implications are discussed in the report to Cabinet.
RB/30102014/E

6. Equalities implications

- 6.1. The equalities implications are discussed in the report to Cabinet.

7. Environmental implications

- 7.1. The environmental implications are discussed in the report to Cabinet.

8. Human resources implications

- 8.1. The human resources implications are discussed in the report to Cabinet.

9. Schedule of background papers

- 9.1 2015/16 Budget and Medium Term Financial Strategy 2015/16 – 2018/19, report to Cabinet, 22 October 2014

City Services

<p>Acceleration of saving proposal 0037 (Highways Maintenance)</p> <p>Highways maintenance; further mechanisation, review of opportunities to capitalise and reduction in service levels.</p>	Delivery	-	400	(400)
<p>Efficiency Savings Arising from the Corporate Landlord Model</p> <p>As the Corporate Landlord Model is consolidated further efficiencies will be delivered through increased joined up working, the maintenance of robust condition surveys and proactive management of planned repairs and maintenance</p>	Delivery	-	192	-
<p>Staffing review of the Markets Service</p> <p>Reduction in the number of employees operating the markets</p>	Delivery	-	25	-
<p>Reduction of the winter service budget</p> <p>A review of the winter service has highlighted expenditure to be below budget. It is proposed to reduce the budget from 2015/16 onwards. A reserve will be created in 2014/15 to provide for severe weather conditions.</p>	Delivery	-	50	-
<p>Employee car parking fees</p> <p>Review car parking fees and payments for council employees</p>	Delivery	-	300	-

Economic Regeneration and Prosperity

<p>Further merged and shared transportation services.</p> <p>Work is underway to merge the Urban Traffic Control Service with Walsall. Further merged and shared transportation services across the Black Country and West Midlands region are being investigated including back office support for penalty charge notices (parking and bus lane enforcement); street permitting back office processes and shared major scheme project delivery team/s.</p>	Education & Enterprise	-	25	25
<p>Highways Maintenance - Reduction in Borrowing for Treasury Management</p> <p>Borrowing requirement for highways maintenance to be reduced by £500,000 2014/15</p>	Education & Enterprise	-	38	-
<p>Efficiency savings across the Directorate</p> <p>To review a range of budget codes to deliver efficiency savings across the Directorate as a whole</p>	Education & Enterprise	-	78	-
<p>Capitalisation of staff revenue costs associated with development schemes</p> <p>The Council will be bringing forward several capital schemes in Bilston, City Centre and i54. It is proposed to capitalise the legitimate professional fees associated with the delivery of those schemes for 2015/16.</p>	Education & Enterprise	-	50	(50)
<p>Savings from the restructuring of senior management in order to deliver the Council wide target, of a minimum of £350,000, approved by Full Council on 17 September 2014.</p>	Education & Enterprise	-	100	100

Resources

Resources				
Reduction in West Midlands Integrated Transport Authority Levy				
Reduction in the West Midlands Integrated Transport Authority Levy as a result of notification of provisional levy from Centro	Delivery	-	723	-

Governance and Performance

Governance and Performance				
Occupational Health External Clients				
To explore the external business market in relation to Wolverhampton City Council providing Occupational Health Services.	Delivery	-	10	-