

## Cabinet Meeting

### 18 October 2017

<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2018-19 to 2019-20	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Cabinet Member for Resources	
<b>Corporate Plan priority</b>	Confident Capable Council	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	(All Wards);	
<b>Accountable Director</b>	Keith Ireland, Managing Director	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Claire Nye	Director of Finance
	Tel	01902 550478
	Email	claire.nye@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board	3 October 2017
	Children, Young People and Families Scrutiny Panel	1 November 2017
	Adult and Safer City Scrutiny Panel	7 November 2017
	Health Scrutiny Panel	16 November 2017
	Stronger City Economy Scrutiny Panel	21 November 2017
	Confident, Capable Council Scrutiny Panel	22 November 2017
	Vibrant and Sustainable Scrutiny Panel	23 November 2017

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#### Recommendations for decision:

The Cabinet is recommended to approve:

1. The reprofiling of previously approved Waste and Recycling Service budget reduction targets totalling a cumulative £2.1 million in 2018-2019 to 2019-2020 to reflect the anticipated implementation date of service changes.

2. That Financial Transaction and Base Budget Revisions totalling a net reduction of £12.5 million in 2018-2019 be incorporated into the 2018-2019 draft budget.
3. That authority be delegated to the responsible Cabinet Member and the Cabinet Member for Resources, in consultation with the responsible Director and the Director of Finance to implement financial transactions at the earliest opportunity where the proposal is not reliant on the outcome of formal budget consultation.
4. A one-off base budget revision to the Treasury Management budget totalling £1.0 million for 2018-2019, due to an anticipated reduction in the forecast revenue implications arising from known capital programme requirements totalling £270,000 and the application of Treasury Management Equalisation reserves totalling £730,000 to support re-phasing in the capital programme.
5. The one-off use of £700,000 from the Job Evaluation reserve in 2018-2019.
6. The use of capital receipts totalling £2.7 million to fund the revenue cost of transformational projects that are anticipated to deliver efficiencies.
7. That work continues to identify additional recurring budget reduction opportunities that will work towards the remaining budget challenge to be delivered by 2019-2020. An update on progress on the budget strategy will be incorporated into the Final Budget report to be presented to Cabinet in February 2018.
8. That authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to approve the final budget consultation arrangements.
9. That the Council opts-up from retail to professional status with regards to investment opportunities under the Financial Conduct Authority regulations, with the institutions that the Council currently uses as part of its Treasury Management Strategy. This will enable the continued use of the current instruments post 3 January 2018.

### **Recommendations for noting:**

The Cabinet is asked to note:

1. That of the total £12.5 million financial transaction and base budget revisions identified in July 2017 for 2018-2019, £5.0 million are ongoing opportunities, as detailed in Appendix B, whilst £7.5 million are one-off opportunities, as detailed in Appendix C. Therefore, a significant element of the budget reduction proposals relate to one-off opportunities that can be achieved in 2018-2019. Taking this into account, the remaining cumulative budget challenge to be identified by 2019-2020 stands at £15.5 million.
2. That the updated projected deficit assumes the achievement of budget reduction proposals amounting to £33.8 million over the three year period to 2019-2020. Over the last seven financial years the Council has identified budget reductions in excess of

£200.0 million. This continues to be the most significant financial challenge that the Council has ever faced.

3. That due to external factors, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.
4. That the 2018-2019 budget timetable will, as in previous years, include an update on all budget assumptions and the Provisional Local Government Settlement which be presented to Cabinet (Resources) Panel by January 2018, with the final budget report due to be approved by Full Council in March 2018.

## **1.0 Purpose**

- 1.1 The purpose of this report is to provide Councillors with an update on the progress towards identifying a strategy to address the projected £14.8 million budget deficit for 2018-2019.
- 1.2 In July 2017, Cabinet approved that budget reduction proposals totalling £12.5 million for 2018-2019 were further developed over recent months.
- 1.3 This report is the second of the financial year on the budget and Medium Term Financial Strategy (MTFS) and provides an update on some key factors, the timetable for the budget process and the risks in relation to them.

## **2.0 Background**

- 2.1 The 2017-2018 Budget and Medium Term Financial Strategy (MTFS) 2017-2018 to 2019-2020 was presented to Full Council for approval on 1 March 2017. After updating the MTFS for changes in assumptions and the outcome of the Local Government Finance Settlement, the Council was able to set a balanced budget for 2017-2018 without the use of general fund reserves; however the Council is still faced with finding further estimated budget reductions totalling £20.5 million by 2019-2020.
- 2.2 It is important to note that the updated projected deficit assumes the achievement of budget reduction proposals amounting to £33.8 million over the three year period from 2017-2018 to 2019-2020. Over the last seven financial years the Council has identified budget reductions in excess of £200.0 million. This continues to be the most significant financial challenge that the Council has ever faced.
- 2.3 In March 2017, Full Council approved that work started immediately to identify £14.8 million of budget reduction and income generation proposals to address the projected deficit in 2018-2019, with an update on progress to be reported to Cabinet in July 2017.
- 2.4 A further £5.7 million of budget reduction and income generation proposals need to be identified, in order to address the projected budget deficit over the medium term to 2019-2020.
- 2.5 An update on budget reduction and income generation targets that had been identified during the first quarter of this financial year was presented to Cabinet on 19 July 2017. The Council had identified a total of £12.5 million budget reduction opportunities towards the strategy of identifying £14.8 million for 2018-2019.
- 2.6 Of the total £12.5 million budget reduction proposals identified for 2018-2019, it is important to note that £5.0 million are ongoing budget reduction opportunities whilst £7.5 million are one-off budget reduction opportunities. Therefore, a significant element of the budget reduction proposals relate to one-off opportunities that can be achieved in 2018-

2019. Taking this into account, the remaining cumulative budget challenge to be identified by 2019-2020 stands at £15.5 million.

- 2.7 Work has continued during the second quarter of this financial year to further develop those budget reduction opportunities and to identify further possibilities to deliver the remaining target of £2.3 million required to meet the budget deficit for 2018-2019.
- 2.8 In addition to this, a review of the successful delivery of previously approved budget reduction and income generation proposals has been undertaken.
- 2.9 It should be noted that due to external factors, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.
- 2.10 Work continues to identify additional budget reduction and income generation opportunities to address the projected budget deficit in 2019-2020, amounting to £15.5 million, in order to ensure that a balanced budget can be set over the medium term. An update on progress will be incorporated into the final budget report, to be presented to Cabinet in February 2018.

### **3.0 Update to Medium Term Financial Strategy**

- 3.1 The assumptions used in the preparation of the budget and Medium Term Financial Strategy (MTFS) remain under constant review and update.

#### **Proposals for 2018-2019**

- 3.2 In July 2017, Cabinet were provided with an update on the identification of budget reduction opportunities at that stage in the budget process.
- 3.3 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.

Investment in the future is essential for both the Council and the City.

- 3.4 The budget reduction opportunities presented to Cabinet in July 2017 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.

- 3.5 All £12.5 million of budget reduction opportunities presented to Cabinet in July 2017 have been classified as Financial Transaction and Base Budget Revisions.
- 3.6 The 2018-2019 Financial Transaction and Base Budget Reduction Revisions that were identified have been summarised by Cabinet Portfolio in the table below, and further details can also be found in Appendices B and C:

**Table 1 – Financial Transaction and Base Budget Revisions for 2018-2019 by Cabinet Portfolio**

<b>Cabinet Portfolio</b>	<b>No.</b>	<b>2018-2019 £000</b>
Resources	10	(10,890)
Governance	3	(230)
City Assets and Housing	1	(1,000)
City Environment	1	(400)
Adults	-	-
Children and Young People	-	-
Public Health and Wellbeing	-	-
City Economy	-	-
Education	-	-
<b>Total</b>	<b>15</b>	<b>(12,520)</b>

- 3.7 As can be seen from Table 1, the Council identified a total of £12.5 million Financial Transaction and Base Budget Revisions towards the projected budget deficit of £14.8 million for 2018-2019.
- 3.8 This represented significant progress towards identifying the projected budget deficit for 2018-2019, reducing the projected budget deficit for 2018-2019 from £14.8 million to £2.3 million as can be seen in Table 2 below.

**Table 2 – Cumulative Budget Challenge to 2019-2020**

	<b>2018-2019 £000</b>	<b>2019-2020 £000</b>
Cumulative Budget Challenge as at February 2017	14,839	20,472
New Budget Reduction proposals	(12,520)	7,535
<b>Remaining gap to be identified</b>	<b>2,319</b>	<b>15,487</b>

- 3.9 In order to secure the benefit of Financial Transaction and Base Budget Revision proposals at the earliest opportunity, it is proposed that Cabinet delegate authority to the responsible Cabinet Member and the Cabinet Member for Resources, in consultation with the responsible Director and the Director of Finance to implement Financial

Transactions and Base Budget Revisions at the earliest opportunity where the proposal is not reliant on the outcome of formal budget consultation.

### **Budget Reduction and Income Generation Revisions**

- 3.10 In addition to further developing budget reduction opportunities, a review of the successful delivery of previously approved budget reduction and income generation proposals has also been considered. As a result of this, Cabinet approval is sought to reprofile the previously approved Waste and Recycling budget reduction targets totalling a cumulative £2.1 million in 2018-2019 to 2019-2020 to reflect the anticipated implementation date of service changes.
- 3.11 As a result of the proposed amendment, the remaining projected budget deficit for 2018-2019 would increase from £2.3 million to £4.4 million. Therefore, the Council needed to identify further proposals totalling £4.4 million for 2018-2019.

### **Budget Strategy 2018-2019**

- 3.12 Since the last update to Cabinet in July 2017, further detailed work has continued to take place to develop the proposals reported to Cabinet at that point in time, in addition to identifying new possibilities to deliver the remaining updated budget deficit of £4.4 million for 2018-2019.
- 3.13 As a result of this, the Council has been able to identify a further three proposals in 2018-2019 which will enable the Council to set a balanced budget for that year.
- 3.14 It is recommended that Cabinet approve the implementation of three new Financial Transaction and Base Budget Revisions as detailed in the paragraphs below.
- 3.15 As a result of further analysing the Treasury Management budget requirement for 2018-2019, it is recommended that Cabinet approve a one-off base budget revision totalling £1.0 million. This can be further analysed as follows:
- It is anticipated that there will be a reduction in the forecast revenue implications arising from known capital programme requirements totalling £270,000 in 2018-2019.
  - It is anticipated that reserves totalling £730,000 will be drawn down from the Treasury Management Equalisation Reserve to support re-phasing in the capital programme.
- 3.16 In addition to this, it is recommended that Cabinet approve the one-off use of £700,000 from the Job Evaluation reserve in 2018-2019. This reserve was created to fund legal costs associated with Job Evaluation. A review of the anticipated future costs indicates that this reserve can be reduced.
- 3.17 In December 2015, the Secretary of State announced that capital receipts could be used to pay for revenue set up costs of transformational projects that are designed to make revenue budget reductions. It is therefore recommended that Cabinet approve the use of capital receipts totalling £2.7 million to fund the revenue cost of transformational projects. Transformational projects that are anticipated to deliver efficiencies include: Customer

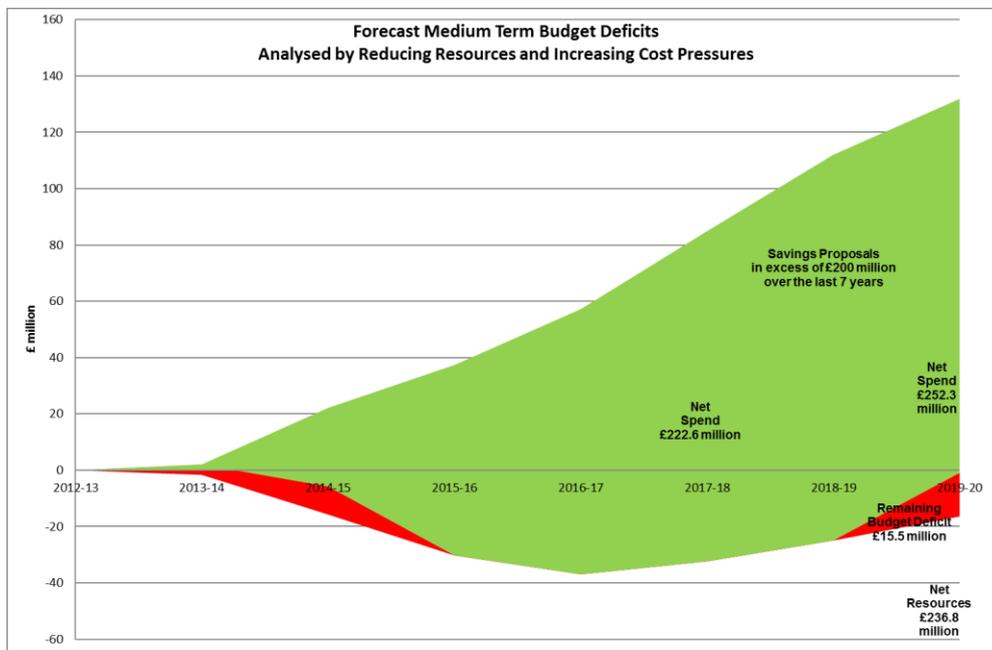
Services Transformation, Children's Services Transformation, Digital Transformation Programme.

3.18 The overall impact of the revisions to the 2018-2019 draft budget, arising as a result of the items detailed in the paragraphs above, has been reflected in Appendix A.

### Budget Strategy for 2019-2020

3.19 Of the total Financial Transaction and Base Budget Revisions identified for 2018-2019, it is important to note that £5.0 million are ongoing budget reduction proposals, as detailed in Appendix B. Therefore, a significant element of the base budget revisions relate to one-off opportunities that can be achieved in 2018-2019. Taking this into account, the remaining cumulative budget challenge to be identified by 2019-2020 stands at £15.5 million, as can be seen in Chart 1 below.

**Chart 1 – Projected Budget Challenge to 2019-2020**



3.20 Given the challenging financial environment which the Council finds itself in, a focus on medium term financial planning is vital. It is therefore proposed that Cabinet approve that work continues to identify opportunities that will work towards the remaining budget challenge to be delivered by 2019-2020. An update on progress will be incorporated into the February 2018 report to Cabinet.

## 4.0 General Balances

4.1 The Council's General Fund Balance stands at £10 million; this is the minimum balance as determined in the Council's Reserves and Balances Policy. Emphasis therefore continues to be placed on identifying budget reduction and income generation

opportunities to meet the budget deficit for 2018-2019 and later years without calling on general reserves.

## 5.0 Budget Risk Management and Timetable

5.1 A summary of the 2018-2019 budget setting timetable is detailed in the table below:

**Table 3 – Budget Timetable**

Milestone	Deadline
Report to Cabinet seeking formal approval of 2018-2019 high level strategy	18 October 2017
Formal Budget Consultation and Scrutiny	19 October – 31 December 2017
Children, Young People and Families Scrutiny Panel	1 November 2017
Adult and Safer City Scrutiny Panel	7 November 2017
Health Scrutiny Panel	16 November 2017
Stronger City Economy Scrutiny Panel	21 November 2017
Confident, Capable Council Scrutiny Panel	22 November 2017
Vibrant and Sustainable Scrutiny Panel	23 November 2017
Report to Cabinet (Resources) Panel following Local Government Settlement	16 January 2018
Final Budget Report 2018-2019 to Cabinet	21 February 2018
Full Council Approval of Final Budget 2018-2019	7 March 2018

- 5.2 A briefing note on the budget consultation process undertaken for the 2017-2018 budget, and the proposed process regarding the 2018-2019 budget, was provided to the Confident Capable Council Scrutiny Panel in August 2017 for their review and comments. The feedback provided by Panel Members will be considered by Cabinet when finalising the 2018-2019 budget and future years' consultation processes.
- 5.3 As part of the budget consultation process there will be four evening meetings at various venues in Wolverhampton, as detailed in Appendix D, as well as a breakfast meeting with business representatives and six other meetings with community groups.
- 5.4 As in previous years an online survey will be used to support the consultation process. Paper copies of the survey will also be made available.
- 5.5 It is recommended that Cabinet approve that authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to approve the final budget consultation arrangements.
- 5.6 The overall level of risk associated with the Draft Budget and Medium Term Financial Strategy (MTFS) 2017-2018 to 2019-2020 is assessed as Amber. The following table

provides a summary of the risks associated with the MTF5, using the corporate risk management methodology.

**Table 4 – General Fund Budget Risks 2017-2018 to 2019-2020**

<b>Risk</b>	<b>Description</b>	<b>Level of Risk</b>
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, Equal Pay and National Living Wage	Amber
Budget Management	Risks that might materialise as a result of the robustness of financial planning and management, in addition to the consideration made with regards to the loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not identifying budget reductions, not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
Reduction in Income and Funding	<p>Risks that might materialise as a result of the Final Local Government Finance Settlement.</p> <p>Risks that might materialise as a result of income being below budgeted levels, claw back, reduction to government grant or increased levels of bad debts.</p> <p>The risk of successful appeals against business rates.</p>	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and taxation rules, the impact of exiting the European Union and, in particular, from the Care Bill.	Red

## **6.0 Markets in Financial Instruments Directive II (MiFID II) and impact on the Council**

- 6.1 Over the past few years the Financial Conduct Authority (FCA) has been undertaking consultation on the regulatory changes in the financial markets called MiFID II. MiFID II introduces changes to the current regulatory framework for investment services and activities and takes effect on 3 January 2018. There is one particular aspect of MiFID II "Professional client business - client categorisation and treatment of local public authorities and municipalities" which will affect all local authorities.
- 6.2 MiFID business includes money market funds, bonds, commercial paper, certificates of deposit and other secured debt instruments. Non-MiFID business includes cash deposits such as bank/building society deposits. The Council currently uses a mixture of money market funds and deposit accounts as part of its Treasury Management Strategy.
- 6.3 Under MiFID II, all local authorities, for both MiFID and non-MiFID business, will automatically be classified as being retail, they can no longer be classed as per se professional on the basis of meeting the large undertakings test under MiFID I. This classification infers that local authorities rely on the counterparty to advise them in an appropriate manner to understand the instruments (and the associated risks involved) they are dealing in to safeguard them from entering into unsuitable transactions.
- 6.4 The impact of being classed as retail is that financial institutions may refuse to deal with retail clients due to having to undertake FCA compliant detailed assessments on the professional capabilities of the client and then provide and fully document the investment advice given. In addition, the cost of borrowing may well increase due to potential fewer sources of borrowing being available because of extra costs of compliance. As with MiFID I there is opt-up criteria that if met would mean a local authority can move from retail to professional status, this opt up is per institution.
- 6.5 It is therefore recommended that Cabinet approve the relevant applications (where they are required) for opt-up with the institutions that the Council currently uses as part of its Treasury Management Strategy. This will enable the continued use of the current instruments post 3 January 2018.

## **7.0 Evaluation of alternative options:**

- 7.1 In determining the proposed amendments to the Draft Budget and Medium Term Financial Strategy, consideration has been made to the deliverability of budget reduction and income generation proposals and budget pressures. If we were to not implement the budget strategy as proposed in this report, alternative options would be required in order to set a balanced budget in 2018-2019. This may therefore potentially impact upon service provision.

## **8.0 Reasons for decision(s):**

- 8.1 It is recommended that the budget strategy for 2018-2019 and 2019-2020 including financial transaction and base budget revisions, as set out in this report, is approved by Cabinet. In approving this strategy, the Council will be able to set a balanced budget for 2018-2019 and will be working towards identifying further budget reductions to contribute towards the Council's projected medium term budget deficit, which stands at £15.5 million to be identified by 2019-2020.

## **9.0 Financial implications**

- 9.1 The financial implications are discussed in the body of the report.

[MH/28092017/A]

## **10.0 Legal implications**

- 10.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any savings proposals.
- 10.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.
- 10.3 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its council tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon an assessment of all the circumstances considered likely to affect the Council.
- 10.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFS, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).
- 10.5 In addition, Section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to '...make a report ... if it appears to her that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented':

- (a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
- (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
- (c) is about to enter an item of account the entry of which is unlawful.

- 10.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 10.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2018-19.

[RB/07102017/D]

## **11.0 Equalities implications**

- 11.1 The equality analysis that was undertaken on this as part of last year's budget reduction for 2017 – 2018, will be reviewed 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.

## **12.0 Environmental implications**

- 12.1 There are no direct environmental implications arising as a result of this report.

## **13.0 Human resources implications**

- 13.1 In line with the Council's statutory duties as an employer under the Trade Union Labour Relations (Consolidation) Act 1992, an HR1 form has been issued to the Secretary of State for Business, Innovation and Skills identifying the intention to reduce employee numbers by up to 500 across the Council in the period up to 31 March 2018. These will be through both voluntary redundancy and budget reduction targets which could result in compulsory redundancies.
- 13.2 As part of the ongoing transformation of the Council, although many services are being, or will be, redesigned, it is not anticipated that as many employees will exit the organisation as in previous years. Changes to the make up of teams and alternative ways of working will require services to be restructured, but numbers will not reduce as significantly as they have done previously.
- 13.3 The numbers included in the HR1 will include posts held by colleagues who, as part of the business review and restructure, need to be included, as they will need to be put at risk of redundancy. However, many of these employees will apply and be offered jobs in

the new structure and therefore the number of employees leaving the authority is anticipated to be far fewer than the number declared on the HR1.

- 13.4 Reductions in employee numbers will be achieved in line with the Council's HR policies. Compulsory redundancies will be mitigated as far as is possible through seeking voluntary redundancies in the first instance, and through access to redeployment.
- 13.5 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. Budget reduction targets to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations. If TUPE were to apply, appropriate consultation with relevant Trade Unions and affected employees, would take place.
- 13.6 There is on-going consultation with the trade unions on the impact of the Council's budgetary position and the targets being made to meet the challenges posed by it.

#### **14.0 Corporate landlord implications**

- 14.1 There are no direct Corporate Landlord implications arising as a result of this report.

#### **15.0 Schedule of background papers**

Draft Budget and Medium Term Financial Strategy 2018-2019 - 2019-2020, report to Cabinet, 19 July 2017.

2017-2018 Budget and Medium Term Financial Strategy 2017-2018 – 2019-2020, report to Full Council, 1 March 2017.

**Adjustment to the Medium Term Financial Strategy**

	<b>2018-2019 £000</b>
<b>Projected Deficit (Cumulative) as approved by Council, March 2017</b>	<b>14,839</b>
<b>Budget Reduction Opportunities approved in July 2017</b>	<b>(12,520)</b>
<b>Projected Budget Challenge, July 2017</b>	<b>2,319</b>
<b><i>Budget Reduction and Income Generation Revisions, October 2017</i></b>	
Re-profile of 'Review of Waste and Recycling' proposal to reflect anticipated implementation date	2,100
<b>Updated Budget Challenge subtotal, October 2017</b>	<b>4,419</b>
<b>Additional Financial Transactions and Base Budget Revisions</b>	
Treasury Management Budget revisions	(1,000)
Application of funds from the Job Evaluation Reserve	(700)
Capital Receipts Flexibility for revenue transformational costs	(2,719)
<b>Projected Budget Challenge, October 2017</b>	<b>-</b>

Ongoing Budget Reduction Proposals by Cabinet Portfolio – Approved in July 2017

Resources

Description of Proposal	Cabinet Portfolio	Directorate	2018-2019 £000
Corporate Budget – reduction in funding over the required level for Adult Social Care	Resources	Corporate	(700)
Savings arising as a result of Senior Management Restructure	Resources	Corporate	(260)
Risk Management and Insurance – saving arising as a result of insurance contract renegotiation (net of potential pressures)	Resources	Corporate	(300)
Anticipated reduction in Integrated Transport Authority (ITA) Levy	Resources	Corporate	(250)
Audit Services – removal of vacant posts	Resources	Corporate	(30)
Pension Budget savings arising as a result of making additional upfront payments to the West Midlands Pension Fund for future years past service deficit costs	Resources	Corporate	(2,375)

Ongoing Budget Reduction Opportunities by Cabinet Portfolio – Approved in July 2017

Governance

Description of Proposal	Cabinet Portfolio	Directorate	2018-2019 £000
Health and Safety – saving arising as a result of lower than expected Lone Worker system costs	Governance	Corporate	(50)

City Assets and Housing

Description of Proposal	Cabinet Portfolio	Directorate	2018-2019 £000
Facilities Management Review – allowance for anticipated increasing costs no longer required	City Assets and Housing	Place	(1,000)

One-off Budget Reduction Proposals by Cabinet Portfolio – Approved in July 2017

Resources

Description of Proposal	Cabinet Portfolio	Directorate	2018-2019 £000
One-off savings due to the additional S31 grant relating to Business Rates	Resources	Corporate	(210)
Elections - one-off savings due to the application of the Individual Electoral Registration (IER) grant held on the balance sheet	Resources	Corporate	(80)
Pension Budget savings arising as a result of making additional upfront payments to the West Midlands Pension Fund for future years past service deficit costs	Resources	Corporate	(5,585)
Treasury Management savings arising predominately as a result of reducing the provision for Capitalisation Risks	Resources	Corporate	(1,100)

Governance

Description of Proposal	Cabinet Portfolio	Directorate	2018-2019 £000
Human Resources – one-off saving arising as a result of using Workforce Development grant held on the balance sheet to support training costs	Governance	Corporate	(150)
Register Office - one-off saving arising as a result of the application of the Tell Us Once grant.	Governance	Corporate	(30)

One-off Budget Reduction Proposals by Cabinet Portfolio – Approved in July 2017

City Environment

Description of Proposal	Cabinet Portfolio	Directorate	2018-2019 £000
Highways Management – use of Bus Lane enforcement reserve to support Highways costs	City Environment	Place	(400)

**Budget Consultation Meetings**

<b>Venue</b>	<b>Date</b>	<b>Time</b>
Bob Jones Community Hub	24 October 2017	6-8pm
Bantock Tractor Shed	1 November 2017	6-8pm
Bilston People's Centre	7 November 2017	6-8pm
Low Hill Community Centre	20 November 2017	6-8pm