

Dear Councillor

COUNCIL - WEDNESDAY, 1ST MARCH, 2023

I am now able to enclose, for consideration at this Wednesday, 1st March, 2023 meeting of the Council, the following reports that were unavailable when the agenda was printed.

Agenda No Item

6f Conservative Group Alternative Budget (Pages 3 - 30)

[To consider the alternative budget proposed by the Conservative Group]

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Report on the Conservative Group Amendment – Revenue Budget 2023-2024

Advice from the s151 Officer

Agenda Item No: 6f

The Alternative Budget proposed by the Conservative Group would be a legal, balanced budget for 2023-2024, as per the changes set out in this report.

Senior finance support has been provided to assist the Conservative Group to formulate an alternative budget that reflects their policy priorities.

Report on the Conservative Group Amendment – Revenue Budget 2023/2024

1. Background

- 1.1 The paper below sets out the main priority areas for the Conservative Group. These are not exhaustive of the Conservative Group's priorities but represent areas that the Conservative Group would like Full Council to consider. The options presented below are pragmatic, with a balance between delivery, forward planning, and reducing the financial burden on residents.
- 1.2 The amendments presented this year considers the financial hardship faced by the residents of Wolverhampton. Inflation has led to macroeconomic uncertainty; this effect has not been contained to the United Kingdom and is seen globally. As the country recovers from the cost-of-living crisis, the Conservative Group has been mindful that now is the time to help those most vulnerable.
- 1.3 The priority areas are:
 - Reducing the council tax increase by 1%
 - Free Car parking on weekends
 - Customer service call centre to be open 7am to 7pm on weekdays
 - A 5% reduction for sports pitch charges
 - A reintroduction of neighbourhood wardens
 - Youth community activities
 - Establishing a Pothole Repair Fund
 - More proactive trees maintenance
- 1.4 To produce a balanced budget, the priority areas will be funded through the following means:
 - A restructure of the Communications and Visitor Experience Budget
 - A restructure of the Policy and Strategy Budget
 - A restructure of senior staff
 - Move elections to be held every four years
 - Transfers from reserves where appropriate
- 1.5 Areas identified for reorganisation or other on-off costs associated with the schemes that arise will be met by the Budget Strategy Reserve
- 1.6 This report will be split into two sections. Section 1 will outline expenditures proposed by the Conservative Group. Section 2 will outline the cumulative saving to fund spending proposals. The overall summary of proposals is provided in the table below:

	2023-2024 Budget Expenditure Proposals £000	2023-2024 Budget Savings Proposals £000	2023 -2024 Budget Use of Reserves Proposals £000	2023 -2024 Budget Net Impact £000
1% Reduction in Council Tax Increase	1,200			1,200
Free Car parking on weekends	400			400
Customer service call centre to be open 7am to 7pm on weekdays	158			158
A 5% reduction for sports pitch charges	2			2
A reintroduction of neighbourhood wardens	312		(312)	-
Youth community activities	300		(300)	-
Establishing a Pothole Repair Fund	300		(300)	-
More proactive trees maintenance	250		(250)	-
Restructure of the Communications and Visitor Experience Budget		(1,190)		(1,190)
Restructure of the Policy and Strategy Budget		(200)		(200)
Restructure of senior staff		(250)		(250)
Move elections to be held every four years		(120)		(120)
	2,922	(1,760)	(1,162)	-

It should be noted that it may not be possible to realise the full impact of the savings identified above in 2023-2024. Where this is the case either in year efficiencies will be identified or approval to use reserves will be sought.

Section 1: Expenditures

2. Council Tax – Reduce increase by 1%

- 2.1 Nationally and locally, everyone feels the pressures of the cost-of-living crisis. Central government have recognised this and has acted to remedy these pressures by increasing core spending power in line with inflation and providing an additional £2 billion in social care funding nationally.
- 2.2 The current Labour Council have taken the decision to increase council tax for council services in 2023-2024 to £1909.01 for a Band D property, with an effective increase of 4.99% from the previous year.
- 2.3 The Conservative Group recognises the effects of global pressures on the average person and notes that this is the 9th year in a row that the Labour Council have increased council tax for the residents of Wolverhampton. In Conservative-run Walsall, the Council have taken steps to keep this increase to council tax as low as possible. Showing that the

increase to council tax is a political decision taken by the Labour administration in Wolverhampton.

2.4 For this reason, the Conservative Group has proposed a reduction to the council tax increase by 1%, resulting in an effective increase of 3.99%. This is a one-year proposal for the financial year of 2023/2024, in which the Conservative Group will monitor the economic conditions within Wolverhampton to decide on the future of council tax.

2.5 The table below gives the forecast impact by year:

	2023-2024 £000	2024-2025 £000	2025-2026 £000
Council element of council tax (excluding adult social care)	1,200	1,237	1,274
2% Adult social care precept	0	12	12
	1,200	1,249	1,286

2.6 The forecast for the following years after 2023-2024 shows that the budget impact will be slightly higher. This extra amount will be funded by identifying further efficiencies within the Council.

2.7 The resulting revised forecast impact on the level of the Council element of Council Tax for a Band D property in 2023-2024 is detailed in the table below. This is a reduction of £18.19.

Band D	£
2022-2023 Council Element of Council Tax (including adult social care)	1,818.27
1.99% increase	36.18
2% Adult Social Care Precept	36.37
	1,890.82

3. Free car parking on weekends

3.1 Post covid Wolverhampton city centre has seen a decline in economic activity. Wolverhampton city centre is home to a diverse range of businesses that rely on footfall.

3.2 As inflation globally begins to be felt, the Conservative Group sees it appropriate to help local businesses wherever possible. Currently, more and more private car parks, once free for residents to use, have begun to introduce charging fees, making it more difficult for shoppers to find adequate parking.

3.3 The Conservative Group proposes free weekend parking in all council-owned car parks within the city centre. This initiative aims to support local businesses by making it easier for residents and visitors to access the city centre and its amenities, promote community wellbeing, and contribute to city centre rejuvenation plans.

3.4 The scheme will cost in the region of £400,000 due to lost income and minor costs associated with the scheme's delivery – such as signage. While there is a direct cost to the Council, it is expected to boost the local economy and cultural offers.

3.5 This proposal impacts on a number of tables detailed in the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 Report – amended tables are shown in this report. In addition, it will impact on pages 2, 35 and 49 of the Budget Book. Total income will reduce by £400,000, increasing the 2023-2024 budget for Parking Services with City Housing and Environment by the same amount.

4. Customer service call centre to be open 7am to 7pm on weekdays

4.1 Under the current Labour administration, Wolverhampton Council's customer service call centre is open Monday to Thursday from 9am to 5pm, Friday 9am to 4:30pm, and closed on the weekends.

4.2 The Conservative Group recognises that Wolverhampton residents may be unable to enquire between these hours due to work or other commitments. Therefore, we propose extending the current working hours to include an additional four hours each weekday to improve services and availability.

4.3 This scheme is expected to cost £158,000 under the assumptions of four full time employees and half of a section leader.

4.4 This proposal impacts on a number of tables detailed in the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 Report – amended tables are shown in this report. In addition, it will impact on pages 2, 113 and 114 of the Budget Book. Total expenditure will increase by £158,000, increasing the 2023-2024 budget by the same amount for Customer Services within Strategy.

5. A reduction in charges to sports pitches

5.1 Sporting activities play a significant social and cultural role for many in Wolverhampton. The sporting heritage of Wolverhampton is often overlooked, but we are home to professional athletes competing at the highest levels of competitive play.

5.2 Additionally, the cost-of-living crisis will deter individuals and families from spending money on accessing and undertaking sports. This can be a concern for children and young people who rely on their family's income to participate in certain sports activities and groups.

5.3 Many individuals, such as children and young people, benefit from the social interaction of being part of a sports team and the associated health benefits. Affordable access to sports facilities has numerous benefits, and the Conservative Group's priority is to promote, enhance and increase access and participation.

5.4 For this reason, the Conservative Group proposes a 5% reduction in charges for sports pitches. This initiative encourages more Wolverhampton residents to engage in physical activities such as football, cricket, or track and field at a lower, more manageable cost. The proposal also complements the principles behind the recent rollout of the Government-backed Better Health: Reward App scheme across Wolverhampton, where the intention is to encourage individuals to lead healthier lifestyles, with the associated socio-economic benefits this will deliver.

5.5 This scheme is expected to cost £2,000.

5.6 This proposal impacts on a number of tables detailed in the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 Report – amended tables are shown in this report. In addition, it will impact on pages 2, 35 and 40 of the Budget Book. With total income reducing by £2,000, reducing the 2023-2024 budget for Environmental Services within City Housing and Environment by the same amount.

6. Reintroduction of neighbourhood wardens

6.1 In recent years, the rate of crime in Wolverhampton has increased and is above the national average. Neighbourhood wardens were removed from the City of Wolverhampton Council's budget in 2015-2016. From 2017 onwards, there has been an increase in total recorded crimes across the city of Wolverhampton greater than the national trend. In 2021-2022, the total recorded crime rate per 1000 in Wolverhampton was 132.3.

6.2 The Conservative Group proposes a one-year trial scheme for the reintroduction of neighbourhood wardens around the city of Wolverhampton to act as a deterrent for crime and improve the sense of community well-being.

6.3 The wardens will work in tandem with the local police. The wardens will liaise with the police to share information and intelligence for better community policing, picking up on the duties they once carried out before 2016.

6.4 The Conservative Group would seek one warden per neighbourhood police area, which would total eight wardens covering the city.

6.5 This one-year scheme is anticipated to cost £312,000 under the assumption of seven Grade 5 wardens plus one Grade 8 manager.

6.6 This pilot will be funded from the Our City Our Plan Reserve.

6.7 This proposal does not impact on the tables detailed in the 2023-2024 Budget and Medium-Term Financial Strategy 2023-2024 to 2025-2026 Report. This change will, however, impact on the Budget Book page 98. Total expenditure will increase by £312,000 with an equal contribution from reserves. It also affects the Reserve Strategy with an additional committed use of £312,000 from the Our City Our Plan Reserve.

7. Youth community activities

7.1 The Conservative Group proposes increasing funding to initiatives across the city to support in-community health (mental and physical), fitness and after school activities, and provision for children and young people.

7.2 The proposal will also enable greater collaboration and partnership working with voluntary and other local community organisations to stimulate and expand provision, working with these groups to create viable longer-term plans. This will also provide a greater focus for youth engagement work.

7.3 The Governments Holiday Activities and Food (HAF) Programme, supplemented by current Council support, provides activities and engages with providers during the school holidays.

- 7.4 Notwithstanding existing provisions, many children and young people would benefit from having more access to year-round local activity provision in the community, both in terms of being in a safe social environment and the associated health benefits. Families would benefit from having more safe local provisions for children in their local community, rather than at a distance or less accessible locations, benefitting their work-life balance.
- 7.5 This proposal aims to target the most deprived areas in Wolverhampton and areas currently under-provided in youth activities, with reference to analysis regarding Yo! Wolves initiatives and the holidays and activities programmes.
- 7.6 The initiatives will be funded across the city, targeting the most deprived areas in Wolverhampton. Commitment to spend £300,000 will be made to be spent over a three-year period at approximately £100,000 a year commencing in 2023-2024.
- 7.7 This will be funded from the Community Initiative Reserve.
- 7.8 This proposal does not impact on the tables detailed in the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 Report. This change will, however, impact on the Budget Book page 18. Total expenditure will increase by £100,000 with an equal contribution from reserves within Children's Services. It also affects the Reserve Strategy with additional commitment from the Community Initiative Reserve of £300,000.

8. Pothole repair fund

- 8.1 In the three years 2019-2020 to 2021-2022 twenty-nine successful claims have been processed, due to poor road conditions, against Wolverhampton City Council, totalling £14,547.67 being paid out in compensation. For comparison, as reported in the Birmingham Live, Walsall Council paid out around £2500 in compensation to drivers over a similar period.
- 8.2 The Conservative Group are concerned about the maintenance of roads across the city and sees that proper maintenance is not being carried out to the detriment of residents.
- 8.3 The Conservative Group proposes a to establish a £300,000 Pothole Repair Fund for use in the financial year 2023-2024.
- 8.4 The new Pothole Repair Fund will be used across the city to repair potholes and defects on roads and ensure that proper maintenance will be carried out to reduce the risk of residents damaging their vehicles during travel.
- 8.5 This will be funded through Budget Strategy Reserve.
- 8.6 This proposal does not impact on the tables detailed in the 2023-2024 Budget and Medium-Term Financial Strategy Report 2023-2024 to 2025-2026 Report. This change will, however, impact on the Budget Book page 42. Total expenditure will increase by £300,000 with an equal contribution from reserves on Highway Maintenance within City Housing and Environment. It also affects the Reserve Strategy with additional commitment from the Budget Strategy Reserve of £300,000.

9. Tree maintenance

- 9.1 The Conservative Group have been inundated with enquiries regarding trees. Trees are a common issue all councillors at the City of Wolverhampton Council raise.
- 9.2 Common issues raised around trees include, but are not limited to, loss of natural light, debris causing issues for residents, and trees with high rates of seed dispersal leading to unsustainable maintenance in certain areas. Under the current Labour administration, arboriculture services do not include services for these issues raised.
- 9.3 The Conservative Group proposes a one-year scheme to increase tree maintenance across Wolverhampton.
- 9.4 This one-year scheme aims to proactively increase the maintenance of trees within the city, making future maintenance easier for the arboriculture services team.
- 9.5 This one-year scheme will be funded from the Budget Strategy Reserve, where £250,000 will be allocated for tree maintenance programmes throughout the City of Wolverhampton
- 9.6 This proposal does not impact on the tables detailed in the 2023-2024 Budget and Medium-Term Financial Strategy 2023-2024 to 2025-2026 Report. This change will, however, impact on the Budget Book page 40. Total expenditure will increase by £250,000 with an equal contribution from reserves on Environmental Services, within City Housing and Environment. It also affects the Reserve Strategy with additional commitment from the Budget Strategy Reserve of £250,000.

Section 2: Cumulative Savings

10. Restructure of the Communications and Visitor Experience Budget

- 10.1 Effective communication is crucial in any organization, and visitor experience is one of the most important aspects of any authority. The Conservative Group sees that the current Communications and Visitor Experience Budget may not be structured to deliver the best outcomes. Therefore, this proposal aims to restructure the Communications and Visitor Experience Budget to better serve our organisation.
- 10.2 To ensure that council services are not impacted for the 2023-2024 budget, we will restructure the Communications and Visitor Experience Budget. A 1% reduction to council tax increases has a budget impact of £1.2 million in the current year.
- 10.3 The Communications and Visitor Experience Budget will have an expected budget of £2.5 million for 2023-2024.
- 10.4 The Conservative Group proposes that we restructure the Communications and Visitor Experience budget, reducing the budget by £1.19 million.
- 10.5 The aim of this proposal is to optimise communication channels, enhance visitor experiences through our organisation, and to ensure effective resource allocation and accountability of the Communications and Visitor Experience Budget.

- 10.6 The Conservative Group will work to ensure that statutory and significant cultural events will still be held.
- 10.7 This proposal impacts on a number of tables detailed in the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 Report – amended tables are shown in this report. In addition, it will impact on pages 2, 57 and 60 of the Budget Book. Total expenditure and 2023-2024 budget will reduce by £1.19 million within Communications and Visitor Experience.

11. Restructure of the Policy and Strategy Budget

- 11.1 The Policy and Strategy Budget is designed to provide strategic support to the City of Wolverhampton Council. This strategic support consists of, but is not limited to, development of strategy, leads on strategic projects, and consultation.
- 11.2 The Performance and Budget Monitoring 2022-2023 report identified an underspend of £265,000—the forecasted underspend results from part-year vacancies and an underspend on professional fees.
- 11.3 The Conservative Group proposes reducing the Policy and Strategy Budget by £200,000 in the next fiscal year. This reduction will enable us to reallocate resources to more critical areas of our organisation. To achieve this reduction, the Conservative Group will thoroughly review the current budget, focusing on identifying areas of potential cost savings, such as consolidating programs with overlapping goals.
- 11.4 This proposal impacts on a number of tables detailed in the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 Report – amended tables are shown in this report. In addition, it will impact on pages 2, 113 and 117, with total expenditure and the 2023-2024 budget reducing by £200,000 for Policy and Strategy, within Strategy.

12. Restructure of senior staff

- 12.1 The Conservative Group recognises the hard work and sacrifice of senior staff members. As an institution, we must consistently evaluate our spending and ensure that resources are used efficiently and effectively. This proposal aims to explore the potential benefits of restructuring the senior staff budget and how it can be achieved without compromising the quality of our operations.
- 12.2 Under this proposal, a review will be undertaken into all positions above and including an annual salary of £85,000. We will comprehensively review each senior staff member's roles and responsibilities through a third-party organisation.
- 12.3 The objective of this review will be to identify potential cost-saving measures, evaluate the impact of these cost-saving measures, and develop a plan to implement these cost-saving measures while maintaining the quality of services provided by the City of Wolverhampton Council.
- 12.4 The Conservative Group proposes an efficiency savings of £250,000.
- 12.5 This proposal impacts on a number of tables detailed in the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 Report – amended tables are shown in

this report. In addition, it will impact on pages 2 and 122, with the expenditure and 2023-2024 budget for Corporate Accounts reducing by £250,000.

13. Move elections to be held every four years

- 13.1 The City of Wolverhampton Council is one of 137 authorities that currently elect by thirds, with one-third of members retiring each year and their seats up for fresh election. 243 authorities in England hold whole council elections once every four years.
- 13.2 At present, there is no clear pattern of the electoral cycle for local authorities in England, and the frequency with which authorities elect their members varies considerably from one area to another. In practice, this also means that the frequency with which electors are given the opportunity to vote varies from area to area, depending on the number and type of local authorities in each area.
- 13.3 The Conservative Group recognise and understand that the current electoral system may be confusing for the average person. We have considered the problems and difficulties for electors that may directly result from this complexity and inconsistency of the current election format.
- 13.4 Therefore, the Conservative Group proposes that elections be held every four years to bring consistency and simplicity to local elections.
- 13.5 The forecast annual budget savings of this proposal is £120,000.
- 13.6 This proposal impacts on a number of tables detailed in the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 Report – amended tables are shown in this report. In addition, it will impact on pages 2, 84 and 90. Total expenditure will reduce by £120,000 as will the 2023-2024 budget for Governance Services, within Governance.

The above recommendations change the following recommendations detailed in the budget report

Final Budget Report

Cabinet recommendations from the 2023-2024 Final Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026

Recommendation 1 – to be amended to

The net budget requirement for 2023-2024 of £305.2 million for General Fund services.

Recommendation 3 – to be amended to

A Council Tax for Council services in 2023-2024 of £1,890.82 for a Band D property, being an increase of 3.99% on 2022-2023 levels, which incorporates the 2% in relation to Adult Social Care.

Council Tax formal resolutions for 2023-2024:

Amend - The resolution as follows:

1. That it be noted that the Council Tax base for the year 2023-2024 is calculated at 65,994.12 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"), as reported to Cabinet on 18 January 2023.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2023-2024 is £124,783,000.
3. That the following amounts be calculated for the year 2023-2024 in accordance with Sections 30 to 36 of the Local Government Finance Act 1992 as amended:
 - (a) £717,158,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £592,375,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £124,783,000 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £1,890.82 being the amount at 3(c) above (Item R), all divided by Item T (section 1 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
 - (f) £1,890.82 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
4. No change to recommendation 4

5. That the Council, in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables as the amounts of Council Tax for 2023-2024 for each part of its area and for each of the categories of dwellings.

Billing Authority	Valuation Band							
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
City of Wolverhampton Council	1,260.55	1,470.64	1,680.73	1,890.82	2,311.01	2,731.20	3,151.38	3,781.66
Total Billing	1,260.55	1,470.64	1,680.73	1,890.82	2,311.01	2,731.20	3,151.38	3,781.66

6. That, having calculated the aggregate in each case of the amounts at (3) (f) and (4) above, the City Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of the Council Tax for the year 2023-2024 for each of the categories of dwellings shown below:

Authority	Valuation Band							
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
Total Precepts	183.71	214.33	244.94	275.57	336.80	398.04	459.27	551.13
Total Billing	1,260.55	1,470.64	1,680.73	1,890.82	2,311.01	2,731.20	3,151.38	3,781.66
Total Council Tax	1,444.26	1,684.97	1,925.67	2,166.39	2,647.81	3,129.24	3,610.65	4,332.79

2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 Report

The following tables will need to be amended

Table 2 – 2023-2024 – Net Controllable Draft Budget Requirements

Directorate	2022-2023 Revised Net Controllable Budget £000	2023-2024 Draft Net Controllable Budget £000
Adult Services	80,965	95,052
Children's Services	50,556	49,666
Commissioning and Transformation	3,552	3,461
City Assets	11,498	14,268
City Housing and Environment	32,332	35,793
Corporate Accounts	33,019	52,394
Communications and Visitor Experience	2,420	1,317
Education and Skills	2,281	2,503
Finance	15,497	15,265
Governance	14,485	15,570
Public Health & Wellbeing	5,769	5,237
Regeneration	2,628	2,557
Strategy	12,157	12,131
Total Net Budget Requirement	267,159	305,214

Table 4

Council element of Council Tax for Band D Property in Wolverhampton

Band D	£
2022-2023 Council Element of Council Tax (including adult social care)	1,818.27
1.99% increase	36.18
2% Adult Social Care Precept	36.37
	1,890.82

Table 5 – Budget and Corporate Resources

Division	2022-2023 Revised Controllable Budget £000	2023-2024 Draft Controllable Budget £000
Adult Services	80,965	95,052
Children's Services	50,556	49,666
Commissioning and Transformation	3,552	3,461
City Assets	11,498	14,268
City Housing and Environment	32,332	35,793
Corporate Accounts	33,019	52,394
Communications and Visitor Experience	2,420	1,317
Education and Skills	2,281	2,503
Finance	15,497	15,265
Governance	14,485	15,570
Public Health & Wellbeing	5,769	5,237
Regeneration	2,628	2,557
Strategy	12,157	12,131
Total Draft Net Budget Requirement	267,159	305,214
Corporate Resources		
Council Tax (including Adult Social Care Precept)	(118,072)	(124,783)
Business Rates and grants*	(113,991)	(128,454)
Collection Fund deficit (surplus)	1,781	(3,253)
General Grants	(7,611)	(3,931)
Social Care Grants	(31,066)	(44,793)
Contribution to / from reserves	1,800	-
Total Draft Corporate Resources	(267,159)	(305,214)

Table 6 – Draft Medium Term Financial Strategy 2023-2024 to 2025-2026

	2023-2024	2024-2025	2025-2026
	£000	£000	£000
Previous Years Net Budget brought forward	267,159	305,214	331,589
Increasing / (Decreasing) Cost Pressures			
- Pay Related Pressures	9,892	7,045	5,585
- Treasury Management	-	-	(500)
- Budget Growth	29,652	12,149	1,594
- Budget Reduction, Income Generation & Efficiency targets	(2,867)	7,181	(887)
Changes to Specific Grants	1,378	-	-
Net Budget (Before Use of Resources)	305,214	331,589	337,381
Projected Corporate Resources			
- Council Tax (including Adult Social Care precept)	(124,783)	(129,799)	(133,707)
- Business Rates (net of WMCA growth payment)	(73,989)	(75,474)	(76,889)
- Enterprise Zone Business Rates	(1,410)	(1,377)	(1,342)
- Section 31 Grant – business rates support	(27,710)	(27,710)	(27,710)
- Collection fund deficit/ (surplus) forecast (net of irrecoverable losses grant)	(3,253)	-	-
- Top Up Grant	(25,345)	(25,852)	(26,369)
- New Homes Bonus	(709)	-	-
- Services Grant	(3,222)	(3,222)	-
- Improved Better Care Fund	(14,761)	(14,761)	(14,761)
- Social Care Grants	(24,740)	(28,670)	(28,670)
- Adult Social Care Market Sustainability & Improvement Fund	(3,223)	(4,846)	(4,846)
- Adult Social Care Discharge Fund	(2,069)	(3,449)	-
Total projected resources	(305,214)	(315,160)	(314,294)
Projected Budget Annual Change in Budget Deficit / (Surplus)	-	16,429	6,658
Projected Cumulative Budget Deficit	-	16,429	23,087

Reserves Table

	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
General Fund Balance	(13,651)	(15,321)	-	-	(15,321)
Risk Management	(19,814)	(14,337)	2,200	550	(11,587)
Investment	(20,826)	(12,834)	2,962	1,109	(8,763)
Smoothing	(18,543)	(7,210)	5,800	-	(1,410)
Sub Total	(72,834)	(49,702)	10,962	1,659	(37,081)
Restricted	(37,803)	(18,242)	4,620	1,936	(11,686)
Restricted (Schools)	(15,232)	(15,326)	-	-	(15,326)
Grand Total	(125,869)	(83,270)	15,582	2,433	(64,093)

Appendix 1 - Key Assumptions for Budget Growth and Budget Reduction, Income Generation and Efficiency Targets

Table 2 – Budget Pressures

	2023-2024 £000	2024-2025 £000	2025-2026 £000
Inflation	26,492	11,964	1,309
Demand	1,756	500	500
Development	1,404	(315)	(215)
Total	29,652	12,149	1,594

Table 3 – Budget Pressures

Directorate	Changes to growth for development	2023-2024 £000	2024-2025 £000	2025-2026 £000
Finance	Council Tax - Discretionary pot to support residents	500	(500)	-
Corporate Accounts*	Growth to support Transformational work within the Organisational theme (to be held corporately and subject to business cases)	1,139	-	-
Communications and Visitor Experience	Growth for City Events	208	-	-
Corporate Accounts*	Wolverhampton local Plan	175	40	(215)
City Assets	City Assets - changes to rental income	(75)	(105)	-
Corporate Accounts*	City Assets -revisions to growth held for facilities management / corporate landlord	(250)	(750)	-
Corporate Accounts*	Adjustments to growth held to support Council priorities in 2022-2023	(853)	1,000	-
City Housing and Environment	Provide free weekend car parking in the city centre	400		
City Housing and Environment	Reduce charges for sports pitches by 5%	2		
Strategy	Extend opening hours of customer service call centre 7-7 weekdays	158		
Total		1,404	(315)	(215)

*Corporate accounts are managed and fall under the remit of the Director of Finance

APPENDIX 2

Update on Key Assumptions on Corporate Resources

Council Tax

1.14 The report recommends an increase in Council Tax of 1.99%, in addition to the Government's social care precept of 2%, totalling 3.99%. This would result in a council tax for council services in 2023-2024 of £1,890.82 for a Band D property in Wolverhampton (council tax element only). When Government publish what funding is available to councils, they include an assumption regarding the raising of council tax – this also includes the levy to fund adult social care. Projections in the MTFS assume that Council Tax will increase by 1.99%, whilst the tax base is anticipated to rise by 1% in each financial year, this generates on average £3.6 million per year. Furthermore, the MTFS assumes that the adult social care precept will increase by 1% in 2024-2025, which generates on average a further £1.4 million.

Appendix 3 - Budget Preparation Parameters

The following key parameters have been reflected in the budget and medium-term projections.

	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
Council Tax Annual Increase (Council element)	1.99%	1.99%	1.99%
Growth in Council Tax Base	1.0%	1.0%	1.0%
Adult Social Care Precept (Council element)	2.0%	1.0%	0.0%
Pay Award	5.0%	2.0%	2.0%
Price Inflation (Gas)*	229.0%	6.7%	6.2%
Price Inflation (Electricity)*	72.5%		
Price Inflation (NNDR)	0.0%	2.0%	2.0%
Borrowing Interest Rate (PWLB 25 year rate)	4.5%	3.9%	3.5%
Return on Investment	2.2%	1.7%	1.3%
NNDR Income Annual Increase**	2.0%	0.0%	0.0%
Growth in NNDR Tax Base	12.0%	0.0%	0.0%

Appendix 4 - Budget Reduction, Income Generation and Efficiency Targets

The table below provides a full list of all budget reduction, income generation and efficiency targets incorporated into the 2023-2024 budget and Medium Term Financial Strategy 2023-2024 to 2025-2026

Directorate	Budget reduction, income generation and efficiency target	2023-2024 £000	2024-2025 £000	2025-2026 £000
Corporate Accounts	In year efficiencies / underspends across services	(4,000)	(1,049)	(1,037)
Corporate Accounts	Efficiencies from work undertaken by Matrix Groups	(950)	(1,600)	(3,850)
Corporate Accounts	Efficiencies through contract procurement and management	(250)	-	-
Corporate Accounts	Use of Future Years Budget Strategy Reserve	(5,000)	5,000	-
Corporate Accounts	Review of corporate contingency budgets	(500)	-	-
Corporate Accounts	One off use of Housing & Council Tax Benefit Administration	(1,000)	1,000	-
Corporate Accounts	One off use of small grants following review	(100)	100	-
Corporate Accounts	One off Use of Schools improvement grant	(500)	500	-
Corporate Accounts	One off used of Collection Fund Risk reserve (created in 2022-2023)	(800)	800	-
Corporate Accounts	Use of Supporting Families Grant	(1,000)	-	1,000
Public Health & Wellbeing strategy	Use of Public Health Reserve to support WV Active	(1,000)	-	1,000
Corporate Accounts	ICT Review - efficiencies	(150)	-	-
Corporate Accounts	Use of reserves to offset changes to specific grant -Council Tax Support Grant	(430)	430	-
Corporate Accounts	One off use of reserves to support the deletion of Adult Services Transformation target above	(2,000)	2,000	-
Regeneration	Regeneration Efficiencies - deletion of prior years savings target	150	-	-
Education	Adults Education (target to break even) - deletion of prior years savings target	30	-	-
Communications and Visitor Experience	Communications efficiencies- deletion of prior years savings target	100	-	-
Corporate Accounts	Reprofiling of use of capital receipts for revenue transformation	1,000	-	2,000
Corporate Accounts	Reversal of prior year one-off savings -use of reserves and grants	15,293	-	-
Communications and Visitor Experience	Communications & visitor restructure	(1,190)		
Governance	Move to four yearly full elections	(120)		
Strategy	Reduction in Policy and Strategy Budget	(200)		
Corporate Accounts	Restructure of senior staff	(250)		
Total		(2,867)	7,181	(887)

Appendix 5 - Budget 2023-2024 by Service

Summary by Directorate

Directorate	2022-2023 Revised £000	Net Pay adjustments £000	Approved Growth £000	Savings £000	Virements £000	2023-2024 Draft Budget £000
Adult Services	80,965	(800)	13,984	948*	(45)	95,052
Children's Services	50,556	(388)	-	-	(502)	49,666
City Assets	11,498	(187)	3,580	-	(623)	14,268
City Housing and Environment	32,332	(824)	5,113	-	(828)	35,793
Commissioning and Transformation	3,552	(58)	-	-	(33)	3,461
Communications and Visitor Experience	2,420	(28)	208	(1,090)	(193)	1,317
Education and Skills	2,281	54	100	30	38	2,503
Finance	15,497	(198)	1,002	-**	(1,036)	15,265
Governance	14,485	(291)	206	(120)	1,290	15,570
Public Health & Wellbeing	5,769	(15)	540	(1,000)	(57)	5,237
Regeneration	2,628	(104)	-	150	(117)	2,557
Strategy	12,157	(130)	634	(350)	(180)	12,131
Corporate Accounts	33,019	12,861	4,285	(57)	2,286	52,394
Total	267,159	9,892	29,652	(1489)	-	305,214

*incorporates changes in specific grants- Independent Living Fund

**incorporates changes in specific grant - Council Tax admin Grant – offset in 2023-2024 by use of grant balances

City Housing and Environment	2022-2023 Revised Budget £000	Net Pay adjustments £000	Approved Growth £000	Savings £000	Virements £000	2023-2024 Draft Budget £000
Bereavement Services	(1,963)	(63)	-	-	(5)	(2,031)
Black Country Transport	-	-	-	-	-	-
Coroners Service	364	-	84	-	1	449
Director City Environment	292	(26)	-	-	(10)	256
Energy and Sustainability	240	46	-	-	-	286
Environmental Services	7,198	(218)	2	-	(30)	6,952
Fleet Services	1,763	(38)	580	-	-	2,305
Highways Maintenance	1,667	(30)	-	-	52	1,689
Housing	(379)	(23)	-	-	21	(381)
Landscaping	60	(3)	-	-	(5)	52
Licensing	5	1	-	-	(6)	-
Markets	(152)	13	275	-	(287)	(151)
Operation & Maintenance of Existing Network	887	(41)	-	-	(3)	843
Parking Services	(1,650)	(4)	730	-	(269)	(1,193)
Private Sector Housing	574	(9)	-	-	(4)	561
Public Protection	1,993	(60)	-	-	(6)	1,927
Street Lighting	3,110	20	2,000	-	(5)	5,125
Transportation	6,447	(108)	1,300	-	(374)	7,265
Waste Services	11,876	(281)	142	-	102	11,839
City Housing and Environment Total	32,332	(824)	5,113	-	(828)	35,793

Communications and Visitor Experience	2022-2023 Revised Budget £000	Net Pay adjustments £000	Approved Growth £000	Savings £000	Virements £000	2023-2024 Draft Budget £000
Arts and Culture	987	(4)	-	-	(41)	942
City Events	668	3	208	100	(135)	844
Communications	606	(29)	-	-	(17)	560
Director of Communications and Visitor Experience	159	2	-	(1,190)*	-	(1,029)
Communications and Visitor Experience Total	2,420	(28)	208	(1,090)	(193)	1,317

* The saving from the restructure of the service will be allocated to individual areas when implemented

Governance	2022-2023 Revised Budget £000	Net Pay adjustments £000	Approved Growth £000	Savings £000	Virements £000	2023-2024 Draft Budget £000
Business Continuity & Emergency Planning	8	-	-	-	-	8
Chief Operating Officer	182	(1)	-	-	-	181
Deputy Director of People and Change	136	(2)	-	-	-	134
Equalities	186	(5)	-	-	-	181
Governance Services	2,959	(34)	158	(120)	(40)	2,923
Health and Safety	340	(5)	18	-	(35)	318
Human Resources	1,867	(57)	-	-	1,572	3,382
Legal Services	2,013	(74)	30	-	(107)	1,862
Organisational Development	1,245	(5)	-	-	(5)	1,235
Projects and Change	620	(8)	-	-	(55)	557
Support Services	4,729	(100)	-	-	(40)	4,589
Ward Funds	200	-	-	-	-	200
Governance Total	14,485	(291)	206	(120)	1,290	15,570

Strategy	2022-2023 Revised Budget £000	Net Pay adjustments £000	Approved Growth £000	Savings £000	Virements £000	2023-2024 Draft Budget £000
Customer Services	2,388	(20)	158	-	2	2,528
Data and Analytics	1,003	53	-	-	(31)	1,025
Digital and IT	7,844	(145)	476	(150)	(131)	7,894
External Funding and Digital Projects	290	(5)	-	-	(4)	281
Policy and Strategy	468	(8)	-	(200)	(3)	257
Register Office	(9)	(3)	-	-	(6)	(18)
Strategy	158	-	-	-	8	166
West Midlands Strategic Migration Partnership	15	(2)	-	-	(15)	(2)
Strategy Total	12,157	(130)	634	(350)	(180)	12,131

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Corporate Accounts	2022-2023 Revised Budget £000	Net Pay adjustments £000	Approved Growth £000	Savings £000	Virements £000	2023-2024 Draft Budget £000
Chief Executive	194	(2)	-	-	-	192
Deputy Chief Executive	208	(6)	-	-	-	202
Corporate Accounts	32,617	12,869	4,285	(57)	2,286	52,250
Corporate Accounts Total	33,019	12,861	4,285	(57)	2,286	52,394

Grand Total	267,159	9,892	29,652	(1,489)	-	305,214
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Appendix 6 - Forecast Council Element of Council Tax for 2023-2024 per Band

Valuation Band (1 April 1991)	Values not exceeding £40,000	Values exceeding £40,000 but not exceeding £52,000	Values exceeding £52,000 but not exceeding £68,000	Values exceeding £68,000 but not exceeding £88,000	Values exceeding £88,000 but not exceeding £120,000	Values exceeding £120,000 but not exceeding £160,000	Values exceeding £160,000 but not exceeding £320,000	Values exceeding £320,000
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
Council Tax 2022-2023 (Council element including 2022-2023 ASC precept)	1,212.18	1,414.21	1,616.24	1,818.27	2,222.33	2,626.39	3,030.45	3,636.54
99% increase in Council Tax	24.12	28.15	32.16	36.18	44.22	52.28	60.31	72.38
2% Adult Social Care Precept	24.25	28.28	32.33	36.37	44.46	52.53	60.62	72.74
Council Tax 2023-2024 (Council element)	1,260.55	1,470.64	1,680.73	1,890.82	2,311.01	2,731.20	3,151.38	3,781.66

Number of properties in each band	57,093	25,295	17,476	7,261	3,113	1,716	997	121
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Appendix 8 Reserves Strategy

The budget proposals result in the Council having the following set aside in usable revenue reserves:

	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
General Fund Balance	(13,651)	(15,321)	-	-	(15,321)
Risk Management	(19,814)	(14,337)	2,200	550	(11,587)
Investment	(20,826)	(12,834)	2,962	1,109	(8,763)
Smoothing	(18,543)	(7,210)	5,800	-	(1,410)
Sub Total	(72,834)	(49,702)	10,962	1,659	(37,081)
Restricted	(37,803)	(18,242)	4,620	1,936	(11,686)
Restricted (Schools)	(15,232)	(15,326)	-	-	(15,326)
Grand Total	(125,869)	(83,270)	15,582	3,595	(64,093)

The impact on individual reserves affected by the budget proposals above is:

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
Community Initiatives	For a programme of positive community-based activities to engage and develop young people.	(697)	(697)	There is no planned use of this reserve in 2022-2023.	-	605	(92)
Our City Our Plan Reserve	This reserve is to support Our City, Our Plan priorities.	(6,058)	(4,163)	Examples of approved utilisation include resources to support the Wolves at Work 18-24 – Youth Employment project.	2,414	312	(1,437)
Budget Strategy Reserve	Funds in this reserve are available to address reorganisation costs as a result of the financial challenges faced by the Council over the medium term.	(7,569)	(5,899)	Any requirements to use this reserve will be reviewed at year end. It is proposed to transfer £1.7 million to the General Fund Reserve in order to maintain the reserve at 5% of the 2023-2024 net budget.	-	550	(5,349)

Use of Community Initiative Reserve 2023-2024 for youth community activities - £300,000

Use of Our City Our Plan Reserve for neighbourhood wardens pilot - £312,000

Use of Budget Strategy Reserve for pothole repairs and tree maintenance - £550,000

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