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| Report title | Performance and Budget Monitoring 2022-2023 | |
| Decision designation | AMBER | |
| Cabinet member with lead responsibility | Councillor Obaida Ahmed Resources and Digital City | |
| Key decision | Yes | |
| In forward plan | Yes | |
| Wards affected | All Wards | |
| Accountable Director | Tim Johnson, Chief Executive | |
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| Report to be/has been considered by | Strategic Executive Board | 28 February 2023 |

Recommendations for decision:

The Cabinet is recommended to:

1. Approve the establishment of supplementary expenditure budgets for 2022-2023 as detailed in section 7.0.
2. Approve the use of £108,682 from the HRA Homelessness Reserve as detailed in paragraph 8.6 and the establishment of associated supplementary budgets.
3. Approve the use of £35,000 from the Building Control Service Reserve as detailed in paragraph 8.7 and the establishment of associated supplementary budgets.
4. Approve the use of £254,650.36 from the Our City Our Plan Reserve as detailed in paragraph 8.8 and the establishment of associated supplementary budgets.

5. Approve the contribution of £750,000 to the Licencing Reserve as detailed in paragraph 8.9 and the establishment of associated budgets.
6. Approve the use of £193,350 from the Regional Adoption Agency (RAA) Reserve as detailed in paragraph 8.10 and the establishment of associated supplementary budgets.
7. Approve the use of £120,000 from the Budget Contingency reserve as detailed in paragraph 8.11 and the establishment of supplementary budgets.
8. Approve the write-off of five Sundry debts totalling £88,681.99 as detailed in Appendix 8.
9. Approve the write-off of one Council Tax debt totalling £6,144.95 as detailed in Appendix 9.
10. Approve the write-off of one Non-Domestic Rates (NDR) debt totalling £6,571.51 as detailed in Appendix 10.
11. Approve 47 virements totalling £45.9 million, for transfers within directorates, as detailed in Appendix 11
12. Approve the Strategic Risk Register which is shown at Appendix 3
13. Approve that authority is delegated to the Cabinet Member for Resources and Digital City in consultation with the Director of Finance to approve any necessary virements required to support the pay award, the allocation of the Efficiency target and Vacancy factor and any recharges required for 2022-2023.

Recommendations for noting:

The Cabinet is asked to note:

1. That the General Fund projected spend for 2022-2023 is currently forecast to be within budget.
2. The forecast outturn position for the year for the HRA shows a pressure against the approved budget of £1.2 million, as shown at Table 3 and in detail at Appendix 5.
3. It is anticipated that the cost of redundancies can be met from reserves.
4. That 548 Council Tax accounts totalling £296,894.99, as detailed in Appendix 7, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
5. That 22 Non-Domestic Rates (NDR) debts totalling £543,505.01, as detailed in Appendix 7, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
6. That 23 housing benefit overpayments totalling £7,009.42 as detailed in Appendix 7, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

7. That 135 sundry debt account totalling £122,897.49, as detailed Appendix 7, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
8. The performance against the key indicators as set out in Appendix 1.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet with an integrated finance and performance update against the Our City: Our Plan priorities.
- 1.2 This is the third report of the financial year detailing the likely outturn projection for 2022-2023.

2.0 Background

- 2.1 On 2 March 2022, Council approved Our City: Our Plan, a new Council Plan building on the Relighting Our City Plan and providing the strategic framework for delivering the ambition that 'Wulfrunians will live longer, healthier lives'. Reporting against this framework for both performance and budget will take place from 2022-2023 onwards.
- 2.2 Within Our City: Our Plan, the Council has published a robust performance framework to track progress against key indicators and to encourage scrutiny of its key decisions. Performance information will be published quarterly alongside analysis and business commentary to give context.
- 2.3 The City of Wolverhampton Council has built up a strong track record over many years of managing its finances well and consistently setting a balanced budget. Our approach to strategic financial management, aligning budgets to service priorities and improving services, and investing in transformation priorities, continues to put us in a strong financial position.
- 2.4 On 2 March 2022, the Council approved the net budget requirement for 2022-2023 of £267.2 million for General Fund services. This report details the forecast outturn projection for 2022-2023.
- 2.5 This report brings together performance against our Our City: Our Plan priorities, and the financial performance for quarter 3.

3.0 Performance Update

- 3.1 The Council continues to use a variety of means in which to assess the efficiency and effectiveness of operations against organisational strategic priorities and statutory requirements.
- 3.2 Critically it continues to manage resources effectively, consistently setting a balanced budget, and delivering against the Medium Term Financial Strategy, despite significant funding reductions and high levels of uncertainty.
- 3.3 External verification of performance is also undertaken through external audit of the council's accounts, and key inspections such as Ofsted and other regulatory bodies. Risks continue to be managed through the strategic risk register which is reported to Audit and Risk Committee on a regular basis. Please see Appendix 3 for most recent risk register.

- 3.4 The Council is evolving its approach to performance management, with the creation of a centralised Data and Analytics team which ensures performance data and intelligence is readily available to all staff and is analysed and reviewed regularly by operational and strategic management.

Our City: Our Plan Performance

- 3.5 Our City: Our Plan sets out the six overarching priorities which will guide the Council's approach to ensure Wulfrunians will live longer, healthier lives, with an additional priorities looking at how the Council operates. These are;
- Strong families where children grow up well and achieve their potential
 - Fulfilled Lives for All With Quality Care For Those Who Need It
 - Healthy, Inclusive Communities
 - Good Homes in Well-Connected Neighbourhoods
 - More Local People into Good Jobs & Training
 - Thriving Economy in all Parts of the City
 - Our Council
- 3.6 A performance framework has been created to monitor performance against these priorities and includes two different types of indicators, city indicators and impact indicators.
- 3.7 City indicators are high level indicators which although the council can influence, may not be able to directly affect. Data on these indicators is published nationally, to enable a comparison against regional, statistical, and national averages.. Impact indicators demonstrate how council interventions are working to improve outcomes for residents against key priorities.
- 3.8 In total there are currently 57 KPI's in the Our City: Our Plan performance framework. Of these;
- 35 have shown improvement or have seen similar performance;
 - 11 are yet to be update in the year to date (8 of these in Healthy Communities);
 - 11 saw a decrease in performance.
- 3.9 This report sets out a summary of performance against city and impact indicators, relevant financial information, and key areas of activity and risk management. A dashboard of the performance against impact indicators is included at Appendix 1.
- ### **Strong families where children grow up well and achieve their full potential**
- 3.10 Our ambition is that children and young people have the best possible opportunities to fulfil their potential. As a result, we are investing to connect young people to opportunities, support our schools to improve standards, ensure education provision is inclusive whilst continuing to support our most vulnerable young people.

- 3.11 Supporting our young people, especially those that need support is a strength of the Council, as seen through the recent 'Good' rated OFSTED inspection for our Childrens Services, that included an 'Outstanding' judgement for leadership and management.
- 3.12 The Council has seen decreasing numbers of children open on Child In Need, Child Protection or Children and Young People in Care plans against a backdrop of increasing numbers regionally. This performance reflects the outcome of targeted work, to ensure that children are supported in line with their assessed needs and are receiving services at the right level for as long as is necessary to their safety and wellbeing.
- 3.13 The percentage of repeat referrals into Social Care within 12 months has reported an increasing trend over the last four reporting periods. The rate of 23% at the end of Q3 2022/23 is the highest throughout the year and exceeds the rate reported in the 2022 statistical release. The current rate sees the local authority continuing to surpass the latest comparator data, after reporting a rate either in line or below these rates at the end of March 2022.
- 3.14 Ensuring children and young people in care have stable placements is a key priority for the Council. Placement stability of our children in care remains an area of strength, with almost 95% of our children and young people in care having less than 3 placements in a 12 month period. This performance is stronger than national, regional and statistical averages and Wolverhampton is in the top quartile of national performance. Wolverhampton also performs favourably against the long-term stability of placements.
- 3.15 When older young people leave care, the Council support them to find suitable education, employment or training. Currently 60% our care leavers are engaged in suitable work or education substantially above national, statistical and regional averages. This shows continued improved performance since March 2021 where performance was at 46%.
- 3.16 The impact of 'DIVERT' and the use of Outcome 22 on Wolverhampton's First Time Entrants into the youth justice system has already shown significant impact. At the end of Quarter 3 the rate per 100,000 youths aged 10 -17 years had reduced from 201 at the end of the last financial year to 111. We expect this trend to continue, and if young people successfully complete their Outcome 22 interventions, this will have a significant impact on the formal decriminalisation of young people in Wolverhampton.
- 3.17 The Strategic Risk Register recognises the risk associated with our responsibilities for Safeguarding Children and the mitigations in place, details of Risk 2 on this area can be found in Appendix 3.
- 3.18 There has been a steady and sustained improvement in education outcomes across the City. The Education Excellence Strategy was launched September 2021 and built on the previous School Improvement Strategy. The new Strategy brought a similar response to Early Years settings as for schools.

- 3.19 The city continues to see an increase in the percentage of schools rated good or outstanding by Ofsted, and at quarter end was at 88%, above the national average. Ensuring inclusivity in access to this high standard of education remains a key priority. At quarter end, 89.9% of children and young people from an ethnic minority background were attending a good or outstanding school. The percentage of early years and childcare settings rated good or outstanding is slightly higher than the school's rate at 98%, higher than statistical neighbours (96%).
- 3.20 There has been a sustained improvement in the percentage of 2-year-olds benefitting from funded early education, this now stands at 71%. This is however, lower than West Midlands, statistical neighbours and national average.
- 3.21 Attainment 8 measures the average achievement of pupils in up to 8 qualifications. This includes: English language; English literature (if only one GCSE in English is taken then it is double weighted); Maths (double weighted); three further qualifications that count in the English Baccalaureate (EBacc); and three further qualifications that can be GCSE qualifications (including EBacc subjects) or any other non-GCSE qualifications on the DfE approved list.
- 3.22 The provisional average Attainment 8 score per pupil is 47.7 an increase since 2019. This is below the National of 48.9 but above the regional and our statistical neighbour score.
- 3.23 Narrowing the gap of educational performance between advantaged and disadvantaged pupils is a key priority for the Council. The performance of Wolverhampton's disadvantaged pupils is particularly strong. Performance in this area shows real improvement since 2019, and despite a small decrease in the current year attainment, Wolverhampton remains in the top quartile of national performance, ranked the 28th Local Authority overall in terms of the attainment of disadvantaged pupils. Decreases seen in Wolverhampton in 2022 (-1.1) are smaller than those seen regionally (-1.9) and nationally (-2.7).
- 3.24 The percentage of 16 and 17 year olds in Education, Employment or Training has decreased slightly in the quarter to 92.8%. The decreases seen in quarter 2 and quarter 3 follow a historical pattern of lower levels of take up at these snapshot dates. This pattern is also seen in national and regional averages. The reason for this decrease is linked to the reporting period as at the end of quarter 2 college inductions are still ongoing and at the end of quarter 3 some young people are changing settings at the end of their first term. This can lead to a higher level of young people with a 'not known' status, at present this rate in Wolverhampton is 6.5%. The Authority continues to work with their partner agency Prospects to improve this rate.
- 3.25 Despite the decrease in performance, Wolverhampton still performs above its comparators with the West Midlands rate currently 89.6%, Statistical Neighbours at 90.3% and the national average 87%.

- 3.26 The percentage of 16 and 17 year olds in Education, Employment or Training with Special Educational Needs has increased slightly in the quarter. Patterns still follow the overall trend of lower performance in quarter 2 and quarter 3 of the year. However there are less young people with unknown statuses due to the relationships between those with an EHCP and the Connexions Careers Advisor
- 3.27 The Strategic Risk Register recognises the risk associated with Education provision in particular the impact Covid-19 and the mitigations in place, details of Risk 7 on this area can be found in Appendix 3.
- 3.28 Regarding financial performance, Children's Services and Education is currently forecasting an underspend of £1.8 million, due to strong financial management and transformative projects and programmes which have achieved significant and positive changes for children and young people living and learning in Wolverhampton. Further financial analysis is included at Appendix 2
- 3.29 Maintained schools are required to submit budget plans detailing their expected income and planned spending levels at two points in the year; 31 May and 31 October. At the end 2021-2022, maintained schools had balances totalling £15.6 million. 40 schools were identified as having balances above recognised thresholds detailed in the local scheme. In addition, there are four schools with anticipated deficits at the end of 2022-2023. Actual end of year balances for 2021-2022 and the latest projected balances in those submitted budget plans for 2022-2023 are shown at Appendix 6, along with details of the processes in place to review deficit and surplus balances.

Fulfilled lives with quality care for those that need it

- 3.30 The Council continues to provide support to those facing hardship, working with our partners to keep our city safe and build resilience to ensure all our communities can thrive.
- 3.31 Social care performance remains an area of strength in the city. At the end of October 2022, the NHS released the latest performance data from the Adults Social Care Outcomes Framework. This statutory return showed improved or sustained strong performance for Wolverhampton across the majority of key indicators.
- 3.32 Wolverhampton Adult Social Care adopt a strengths-based approach to social work, supporting young people and adults to be as in control of their own lives as much as possible. Performance shows that 81.6% of residents in receipt of long term care feel in control of their own lives. This improved performance, from 73.8% in 2020, has seen Wolverhampton's performance improve from the 120th to the 14th ranked authority in the country.
- 3.33 A key focus of our Adult Social Care services is ensuring people access the right support at the right time to keep or regain their independence. People are always asked about what is important to them to make them feel safe and secure. Performance shows that 88.3% of residents in receipt of Adult Social Care services felt these services helped

them feel safe and secure. This is an increase from 83.7% in 2020. This improved performance has seen Wolverhampton's performance rank improve from the 111th to the 48th ranked authority in the country.

- 3.34 The Council has seen an increase in performance in terms of reablement, with 75% of residents aged 65 or over remaining at home 91 days after discharge from hospital in the most recent published data. Although this indicator shows improvement, Wolverhampton is behind the most recently published data for statistical neighbours, the West Midlands, and the national averages. Work continues with health colleagues to continue the upwards trend in performance to ensure progress against comparator averages is achieved.
- 3.35 The percentage of adults with learning disabilities in paid employment has experienced a slight drop in performance to 5.1% from 5.4%, it does however compare favourably to the most recently published data for the West Midlands and the national average. A new In House Supported Employment Team has been established which will target improved performance in this area.
- 3.36 The risk associated with our responsibilities for Safeguarding Adults can be found in risk 3 of the Strategic Risk Register in Appendix 3.
- 3.37 During the budget setting process for 2022-2023, significant cost pressures were forecast for Adult Social Care and, as a result, growth totalling £9.2 million was approved. Appendix 2 provides detail of current forecasts which indicate that, overall, the service is currently forecasting to be within budget after the transfer of £585,000 underspend into the Adults Social Care Reserve for Growth and Demand to utilise in future years. There continues to be uncertainty on the forecast position of Adult Services over the medium term, as the service adjusts to the post-covid environment and also the recent increases in inflation. The redesign of Adult services has commenced and with the aim of addressing any longer term alignment of staffing resources, as well as stabilising the care market. Further information is provided in Appendix 2.
- 3.38 Risks 5 of the Strategic Risk Register recognise the pressures in our provider market, details can be found in Appendix 3.

Healthy, Inclusive Communities

- 3.39 Through the pandemic, Public Health England were understandably unable to produce updates non-Covid related health indicators. There remains a reporting lag on many Public Health indicators published through the NHS. This means for many key priorities in this area, the authority is unable to view the influence of the many interventions in place against the national landscape.
- 3.40 It is also important to note that the indicators within the section require a whole city approach to ensure positive outcomes. As system level indicators, we understand that the Council can influence improved performance but is not fully able or responsible to do so without the work and support of wider partners and stakeholders.

- 3.41 As it remains unclear when the NHS data will be available for release, a new set of indicators has been designed to support performance management in this area for 2023-2024.
- 3.42 These indicators are split between those higher level city indicators that will be used to understand the broader public health issues facing the city and city indicators which will be used to performance manage our operational performance against key interventions. The creation of these indicators will mean that the Council will be in control of the data it is using to performance manage the area, taking away the reliance on published NHS data. Embedded into this approach is a new range of equalities indicators, ensuring our public health services are inclusive and tackling health inequalities in the city.
- 3.43 The Council has continued to work with partners to support the roll out of the Covid-19 vaccination. At quarter end 73.54% of the adult population of Wolverhampton were vaccinated. This is a similar picture regionally and nationally with only slight increases being seen on a monthly basis.
- 3.44 The Council understands the link between the take up of the over 40 year olds attending health checks and many key public health outcomes. This data is calculated on a rolling 5-year average. Slow uptake of the health checks in 2018-2019 is currently lowering the 5-year average to 21.51%. More recent quarterly data shows large improvements in performance in this area and data for the individual quarter shows Wolverhampton's performance above national averages. In forthcoming quarters, the Wolverhampton five year average will start to show a significant improvement as the 2018-2019 take up will no longer be included in the calculation.
- 3.45 Increasing NHS health check activity to return to pre-pandemic, top quartile levels is an ambition of the One Wolverhampton Living Well Group. The latest quarterly activity demonstrates positive progress, with current uptake above the England average.
- 3.46 Regarding the financial performance, current forecasts indicate that Public Health and Wellbeing is forecasting a net overspend of £1.1 million. £441,000 of this pressure across Leisure services due to inflationary pressures on the leisure PFI contract in relation to utility costs, along with increase costs of repair and maintenance and reduction in income across leisure services. £574,000 is due to costs associated with temporary housing accommodation which will be considered in paragraph 3.61.
- 3.47 Further financial analysis can be found in Appendix 2.

Good home and well-connected neighbourhoods

- 3.48 In 2022-2023 an additional 190 new build homes had been completed within the city. The number of completions will fluctuate across the period due to the nature of the construction sector. Wolverhampton had a much higher number of new builds completed in 2021 than 2022.

- 3.49 Many housing sites closed for a period due to Covid, delaying completion of properties in this calendar year. It is predicted higher numbers of completions will be reported next financial year. The Council remains on target to achieve the three year completion rate and are currently in the process of developing a solution to track progress against the longer term plan, rather than reporting the variations across the period.
- 3.50 Net additional dwellings within the city have also reported a reduction to 614 when compared to 818 during the previous period, linked to an increase in the number of Right to Buy applications reducing the Council stock and some small-scale demolitions.
- 3.51 The indicator for housing affordability uses data on house prices and annual earnings to understand the affordability ratios for different areas. The higher the ratio, the less affordable the house prices were when compared to the earnings of residents. Wolverhampton's ratio increased from 5.7 to 6.2 indicating that housing has become less affordable. This trend is seen in many local authorities across the country as house prices are increasing faster than salaries are. Wolverhampton is currently ranked 276th for this indicator, showing that comparatively housing is more affordable in the city.
- 3.52 The indicator for the energy efficiency of housing stock shows an increase of ten when compared to the previous year. The score for this indicator is generated based on data about a building's energy features, with 100 being the most efficient. Wolverhampton is currently at a rate of 65, lower than statistical neighbours. Continuing the same trajectory will see Wolverhampton reach the next quartile rate of 69. The energy performance of privately owned homes may have affected this increase. The Council has secured funding from the Department for Business, Energy and Industrial Strategy to support fuel poverty households with retrofit measures to increase the energy performance of properties. Energy improvements to homes also is a key part of the cost of living response by the Council.
- 3.53 The percentage of major planning applications completed within 13 weeks decreased from 100% in Q2 to 82% in Q3 which relates to two applications. This statutory return captures major planning applications and does not include minor applications where the target is 8 weeks. Whilst the performance has decreased this quarter, it remains above the Government target of 60% and work continues to develop improved performance tracking. Planning continue to proactively work with customers to ensure good development that is in the public interest.
- 3.54 The latest crime data shows that numbers of reported crimes per 1000 population has increased slightly from 127 to 132 over the past year. This increase means Wolverhampton is now slightly higher than statistical neighbours. The pandemic affected crime trends and overall crime during this period dropped nationally. As restrictions were lifted there was an expectation that certain crime trends would increase again. The Council is focussed on working with key partners to reduce crime types with the highest risk and impact, for example serious youth violence which has seen increases regionally in the year to date, but a decrease in Wolverhampton.

- 3.55 The number of homeless families moved into secure housing has increased each quarter through the year. Homeless applicants currently make up 26% of the customers on the housing register. As expected, we are seeing a consistently high percentage of homeless applicants being rehoused compared to the percentage of non-homeless applicants on the housing register as the focus of City Council's Housing Allocations Policy is to house those in the greatest housing need. The level of homeless applicants we are rehousing depends on the types and locations of properties that become available, the needs to the specific customers and their wishes about where they live.
- 3.56 There are an estimated 550,000 trees in Wolverhampton on Council land. 69.5% of these trees have been inspected by the Authority within the last two years. This indicator has seen steady improvement through the year.
- 3.57 There has been a decrease in the percentage of fly tipping incidents resolved in five working days to 95% in the quarter. A project group with environmental health and public health has been created to explore additional ways to reduce the levels of fly tipping across the City, whilst continuing to respond to reports from residents. The project monitors fly tipping hot spots across the city including the 21 streets where fly tipping is most prevalent across the city. Key activity has included further communications on how residents can dispose of their waste legally and reminding them that fly tipping is a crime. Some streets have had CCTV installed so we can gather evidence of who is fly tipping and use our enforcement powers accordingly.
- 3.58 The Shop a Tipper project went live in December 2022, targeting an alley where multiple fly tips are removed daily. We are using images captured from our CCTV cameras to display where fly tipping is most prevalent, asking residents to call us to 'Shop a Tipper'. If their information leads to the payment of a Fixed Penalty Notice, the resident will get a £100 reward.
- 3.59 The percentage of carriageways classed as high quality continues to increase. When a carriageway is assessed as high quality it is given a green rating with the percentage of carriageways in the city assessed as high quality improving across all road types with the largest increase of 5% for C Roads. A and B roads increased by 1%.
- 3.60 Regarding financial performance, City Housing and Environment overall are projecting a net overspend of £1.4 million. This is mainly as a result of cost pressures within Environmental Services, Fleet Services, Transportation, Markets, Street Lighting and Highway Maintenance. Cost pressures are being seen within Transportation mainly due to increasing demand on passenger transport services for client transport and additional vehicle hire. Services are mitigating these pressures by continuing to drive efficiencies in delivering this statutory service and minimising the reliance on hire vehicles and external providers. The cost pressures for Street Lighting results from significant increases in energy costs incurred mitigated in part by the replacement programme improving efficiency of street lighting and government support to business. These costs pressures are being offset by underspends across a number of services within City Housing and

Environment including underspends within Waste Services as a result of increased income, reduced costs of waste disposal, along with a reduction in costs within Street lighting.

- 3.61 In addition, significant budget pressures are being seen in relation to temporary and supported accommodation. Wolverhampton Homes have seen a large increase in the number of homeless people being placed in temporary accommodation due to a number of factors including an increase in the cost of living, increase in people being evicted from the private sector and increased numbers of families being asked to leave due to relationship breakdowns. An action plan has been developed that looks at increasing the amount of local authority stock utilised as temporary accommodation, increased preventative work and increased access to the private sector which will assist in mitigating the number of people requiring temporary accommodation as well as the increase in cost of this provision. The impact was specifically felt in relation to net Housing Benefit costs which are held under the Finance Directorate, which is reporting a projected overspend of £600,000 at quarter 3 due to an increase in temporary, supported and exempt accommodation where full subsidy grant is not received. In addition to Housing Benefit costs, we are also seeing a cost pressure in temporary housing budgets (held under Public Health and Well Being) of £574,000. Further financial analysis is included in Appendix 2.
- 3.62 Risks 16 of the Strategic Risk Register recognise the pressures in our Refugee and Asylum Accommodation and support, details can be found in Appendix 3.
- 3.63 The 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 report approved by Full Council on 1 March 2023, recognises that the pressures due to rising inflation around and increasing demand with temporary accommodation fleet services, transportation and energy from waste and builds in growth to support these pressures going forward.
- 3.64 Risks 20 of the Strategic Risk Register recognise the risk associated with the Energy for Waste plan, details can be found in Appendix 3.
- 3.65 The Housing Revenue Account (HRA) is forecasting a pressure against the approved budget of £1.2 million, this result in a forecast reduction in redemption of debt. As detailed in the Performance and Budget Monitoring report to Cabinet in November, Wolverhampton Homes were reporting costs pressures due to cost of inflation and the 2022-223 pay award. An increase to Wolverhampton Homes management fee of £2.0 million has been approved under delegated authority. Further detail is included in section 6 and Appendix 5.

More local people into good jobs and training

- 3.66 Historically Wolverhampton has had consistently higher unemployment claimant count rates than the national average. These rates were exacerbated by the pandemic and subsequent period.

- 3.67 A whole city approach is needed to improve outcomes for our residents in this area. Whilst the Department of Work and Pensions are the lead agency in this area, the Council are working hard to influence improved processes and performance across the system. The Council has played a leading role in bringing together key stakeholders in this area including the Department for Work and Pension, education providers, schools, City of Wolverhampton College and local businesses and employers.
- 3.68 The Strategic Risk Register details the risk of high unemployment in the City and the work in place to mitigate this, Risk 9 can be found in Appendix 3.
- 3.69 Since March 2021, Wolverhampton has seen a 3.20% reduction in the number of people claiming unemployment benefits (16-64). However, at the end of December 2023, Wolverhampton had the 2nd highest unemployment claimant count rate at 7.3%. This rate has been stable since the start of the financial year.
- 3.70 Wolverhampton has the highest Claimant Count rate for 18-24 year olds nationally. The number of 18-24 year olds claiming unemployment related benefits has reduced over the last 12 months, although has seen small increases in the last two quarters.
- 3.71 The slowdown in the reduction of this rate is seen nationally and is likely to be a reflection of the national economy. It is also possible that the renewal of action by DWP in 2022, following a pause in 2020, to move people from legacy benefits to Universal Credit could be a contributing factor.
- 3.72 However, there continues to be an increase in the number of jobs created or safeguarded including Goldilock (50 jobs) and Nant (60+ jobs), whilst Salisbury Poultry and Compton Care are also creating more jobs.
- 3.73 The Council continues to increase its numbers of apprentices and graduates with over 73 employees currently in post. The latest cohort of graduates started in September, and included the first 'Change 100' placements for graduates with special educational needs.
- 3.74 The Council wants to ensure that all staff have access to ongoing training and development through the apprentice levy. Last year the Council were able to spend 84% of its levy an increase from 68% during the previous period. In the year to date, 67% of this year's levy has already been spent. The apprenticeship levy can only be spent on qualifications and not employment, funding the continuous development and the upskilling of staff. The Council has also run many dedicated programmes to aid the progression of minority groups within the local authority.
- 3.75 The Strategic Risk Register details the risk of high unemployment in the City and the work in place to mitigate this, Risk 9 can be found in Appendix 3.
- 3.76 Regarding financial performance, the Regeneration Directorate, is projecting a net overspend of £265,000, mainly due to variation in planning application fee income and also forecast non achievement of savings in Director Regeneration. Further analysis is shown at Appendix 2.

Thriving Economy in all part of the City

- 3.77 Post-pandemic, it is more important than ever to deliver against our ambitious plans to transform and reimagine our city, conscious of the changes in how we work, live, travel and spend our leisure time. We continue to deliver our plans to be an events city, building on our strong cultural offer and drive investment into our communities, conscious of the Council's climate change commitment to be net carbon neutral by 2028.
- 3.78 Risks 14 of the Strategic Risk Register in Appendix 3 identify the specific risks associated with Climate Change.
- 3.79 Recently published data shows that Wolverhampton is in the second highest quartile of performance for businesses that survive over one year. Latest data shows that 94.6% of businesses in Wolverhampton survive over one year and Wolverhampton is very close to being in the highest quartile of performance. This performance is slightly higher than our statistical neighbour average which is 93.9%.
- 3.80 The city has continued to support new businesses to start up in the city and the Council's support for this includes the launch of Ignite, a free to use business and enterprise hub, and a commission with Access 2 Business to support previously unemployed residents to start a business.
- 3.81 There has been a reduction in the number of businesses supported through the year. This is linked to the ending of many COVID interventions ending which had increased business support through the previous year..
- 3.82 Risks 1 and 8 of the Strategic Risk Register in Appendix 3 identify the specific risks associated with businesses closing and the city wide regeneration.
- 3.83 In the last quarter the Council supported 132 businesses through a combination of business support, tailored programmes and business reviews. The business support offer is in a period of significant transformation as EU funded programmes come to a close, and the start of a new regional business support model funded via the UK Shared Prosperity Fund (UKSPF). There is ongoing work to capture data from businesses to inform the future offer to employers in our city.
- 3.84 Throughout the quarter, 22 new investment opportunities were generated. The successes in this period include Goldilock who have recently located at Wolverhampton Science Park who have relocated 25 staff and will create an additional 25. Goldilock are receiving support from the Council's City Investment Team alongside the West Midlands Growth Company. Another investor at the Science Park during this period is Nant, a specialist provider of water safety services, safeguarding of 52 jobs in the city and creating 10 new posts.
- 3.85 Data around retail and recreational activity, provided by Google Analytics has come to an end. The Council is exploring other ways of accessing similar data, such as footfall counters and sensors

- 3.86 There are now 24 rapid electric charging points in Wolverhampton. In the quarter how we report this figure has changed as we have access to the National Charging Point database, which gives more accurate understanding of available charging points, rather than chargers. Procurement has now been finalised for an operator to deliver 80 charge points for the city, funded through the on-street residential charge point scheme. This initiative provides the opportunity to call off for further charge points across the City with future funding, up to a total value of £2.5m, which is likely to cover our infrastructure requirements up to 2025 as defined in the Black Country ULEV Strategy.
- 3.87 Wolverhampton's full fibre coverage has increased considerably since January 2022 as a result of initiatives such as Local Full Fibre Network and barrier busting activity. At the end of 2022, over 37.8% of premises had full fibre, which is 19.8 percentage points higher than January 2022 and better than nearest statistical neighbour averages. Wolverhampton is now ranked in the second quartile nationally, and the State of Fibre 2023 identified Wolverhampton as a 'rising star in fibre' due to the second biggest increase in the UK in terms of numbers of premises passed with full fibre.
- 3.88 Regarding financial performance, as mentioned above, the Regeneration Directorate which includes Enterprise, is projecting a net overspend of £265,000 mainly due to variation in planning application fee income and also forecast non achievement of savings in Director Regeneration. Further analysis is shown at Appendix 2.

Our Council

- 3.89 To deliver against our key city priorities, the Council continues to become more efficient and effective through ongoing improvements in relation to assets, use of data, technology and digital, our people and money.
- 3.90 The Sickness absence rate - non covid 2022-23 Q3 has increased by 0.74 percentage points when compared to the previous quarter. This is an expected seasonal trend and increases seen in 2022/23 are in line with previous years. When compared to the same quarter last year, the sickness absence rate has marginally increased by 0.08 percentage points. When compared to the previous quarter, the total number of days lost and the total number of days lost per employee has increased in 2022-23 Q3.
- 3.91 Mental health, musculoskeletal and operations were recorded as the top three sickness absence reasons. Preventative support is offered through a wide range of methods such as practical, emotional and mental wellbeing support, including financial wellbeing via our employee assistance programme, confidential counselling, and access to our 60 Mental Health First Aid practitioners. Other training and support includes manual handling, toolbox talks, workstation and homeworking risk assessments supported with reasonable adjustments to working arrangements and the provision of specialist equipment. Access to Occupational Health practitioners and physiotherapists is available quickly and health benefits such as subsidised gym membership and cycle to work schemes are also promoted

- 3.92 Risk 6 of the Strategic Risk Register in Appendix 3 identify the specific risks associated with employees wellbeing.
- 3.93 The Employee Turnover rate for 2022-23 Q3 was 2.62%, which is a decrease of 1.06 percentage points when compared to the previous quarter. The latest published data available for other local authorities across England is for 2021-22, with the current performance in Wolverhampton being lower than this latest national average.
- 3.94 Work is underway to understand the reasons for employee turnover using an exit interview process. Data gathered will be used to deliver targeted actions to ensure turnover is suitable. Some turnover is needed to ensure development opportunities are available within the council and value added through new and varied skills and experience.
- 3.95 The Council continues to take proactive measures to address the national issues associated with recruitment and retention. This includes the creation of a HR jobs site, showcasing the careers, rewards, benefits, people offer and culture of the Council. The Council continues to engage with the workforce to review the offer to our employees, including different ways of working, continuously reviewing the health and wellbeing provision and continuing to embed a culture of fairness and inclusivity.
- 3.96 As detailed in section 4, there is Risk 19 of the Strategic Risk Register in Appendix 3 identify the specific risks associated with employee recruitment and retention.
- 3.97 The Mean Gender Pay Gap for Council Employees as of March 2021 decreased by 0.20 percentage points from the previous year. The largest pay gap occurred within the upper pay quartile with a negative pay gap shown in the lower middle pay quartile. The Gender pay gap for March 2021 remains below that of some other local authorities in the region.
- 3.98 The Mean Ethnicity Pay Gap for Council Employees as of March 2021 decreased by 0.42 percentage points from the previous year, with employees from ethnic minority groups earning on average 76p less per hour than white employees. The pay gap between employees from ethnic minority groups and white employees continues to be more prominent for female employees than for male employees. There is no direct comparison to other local authorities at this time as there is currently no statutory requirement to publish this.
- 3.99 Equality, Diversity and Inclusion is at the heart of everything the council does. HR monitor workforce equalities across all areas of employment on a continuous basis and will continue to work in partnership with the Equality, Diversity and Inclusion team, the appointed equalities officer, and in consultation with our people and the employee forum for Race, Religion and Belief to develop future actions to address inequalities.
- 3.100 The average customer services wait time decreased by 2 minutes and 2 seconds between Quarter 2 and Quarter 3 2022-2023. This is due to focussed work to improve performance in relation to taxi licencing, one of the busiest lines, which has included improved processes and additional operator resources which have taken full effect in Q3.

During this period Customer Services have also continued to extend face to face services, including those in the community such as surgeries for Schools admissions and Blue Badge applications.

3.101 The Council is due to launch its own ongoing survey based upon the regional LGA Resident Satisfaction Polling so that the satisfaction of residents can be assessed and analysed against regional and national averages.

3.102 In line with our commitment to the Wolverhampton Pound, the number of local businesses the council spent with in the quarter continues to increase. From 451 in Quarter 4 2021-2022, in quarter 3 2022-23 the council spent with 483 Wolverhampton based companies.

4.0 Quarter Three 2022-2023 Budget Performance

4.1 On 2 March 2022, the Council approved the net budget requirement for 2022-2023 of £267.2 million for General Fund services.

4.2 Overall, the General Fund projected spend for 2022-2023 is currently forecast to be within budget.

4.3 Due to the favourable forecast outturn position on Adult Services, there is an opportunity contribute £585,000 into the Adults Social Care Reserve for Growth and Demand to support demand pressures going forward. In line with the Budget Strategy approved by Full Council on 1 March 2023, it stated that where efficiencies were identified across the Council, that they would be used to contribute towards the efficiency targets held corporately in 2023-2024. It is therefore proposed that £2.3 million is transferred into the Future Years Budget Strategy Reserve to support the delivery of the efficiency targets held in 2023-2024. And finally it is proposed that in line with the 2022-2023 Budget Strategy, £3.0 million is utilised to reduce the use of capital receipt flexibility for revenue transformation.

4.4 These proposed contributions to reserves are also in line with the Reserves Strategy, which was approved by Full Council on 1 March 2023, in which it stated that the Section 151 Officer will consider if it is necessary to increase reserves held for managing risk.

Pay Award

4.5 The Performance and Budget Monitoring report presented to Cabinet on 7 September 2022, reported that negotiations were ongoing in respect of the 2022-2023 pay award, and the current proposal, if accepted, was forecast to cost in the region of £9.0 million in year. The approved budget for 2022-2023 includes a provision of 2% amounting to £2.8 million, we therefore it was reported that there was a forecast cost pressure in 2022-2023 and work was ongoing to identify in-year efficiencies to offset any potential cost pressures. On 1 November 2022, it was announced that the pay award had been accepted.

- 4.6 Since reporting to Cabinet on 16 November, work has been ongoing to identify efficiencies and underspends to fund the projected costs pressures of the 2022-2023 pay award and mitigate the need to use reserves. It was highlighted in the November report that a number of services are experiencing difficulties in recruiting to some positions, which is resulting in this one-off underspends. Delays in recruitment could also impact on service delivery and present some risk if delays in recruitment continue. Taking this into account the underspends projected as a result of vacancies at quarter 3 and other efficiencies, the forecast impact of the pay award for 2022-2023 can be met from existing budgets.
- 4.7 The forecast overspend as at quarter 2 has now reduced from £1.5 million to be within budget. However, as mentioned in paragraph 4.6, this underspend is due in part to, due to staff vacancies. Risk 19 of the Strategic Risk Register identifies the specific risks associated with employee recruitment and retention.

Inflation

- 4.8 In addition, inflation in the UK is at the highest it has been for four decades, which means the country is facing an increase in the cost of living, with food, petrol and energy bills all increasing. The current forecast includes significant inflationary costs where they are known, and these are incorporated into the projects detailed in Appendix 2. This will continue to be monitored and updates will be provided in future reports. Inflation is a significant risk and as such is included in the Strategic Risk Register at Appendix 3. However, it should be noted, that is not yet known what the full extent this will have on direct costs of the Council and the impact this will have on our contracts, as well as our residents and businesses.
- 4.9 The 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 approved by Full Council on 1 March 2023, incorporated growth to support the projected inflationary and demand pressures for 2023-2024 and over the medium term.

Budget Reduction and Income Generation Targets 2022-2023

- 4.10 The 2022-2023 approved budget also incorporates a number of approved budget reduction and income generation targets. Recurrent savings targets total £4.6 million, progress against these targets, where appropriate is detailed in Appendix 2.
- 4.11 Table 1 below summarises the delivery of these targets against the original delivery plan. Further detail on the most significant variances against the budget are reported on a service-by-service basis in Appendix 2.

Table 1 – Delivery of saving targets against the original delivery plan

| Directorate | Description | 2022-2023 Target £000 | Progress Update |
|------------------------------------|---|--|---|
| Children's Services and Education | Transforming Children's Services | 200 | Currently these savings are projected to be delivered in full. |
| Children's Services and Education | Adult Education – Target to break even | 30 | Currently these savings are projected to be delivered in full. |
| Children's Services and Education | Alternative funding proposal for Skills Service | 237 | Currently these savings are projected to be delivered in full. |
| Regeneration | Alternative funding proposal for Enterprise Service | 163 | Currently these savings are projected to be delivered in full. |
| Regeneration | Allocation 8of efficiency target for Regeneration Service Review. | 197 | Currently £150,000 being reported to be at risk of delivery held within Regeneration. 2023-2024 Budget and Medium Term Financial Statement report presented to Full Council recognised this risk and builds the budget back in. |
| Communications and Visitor Economy | Allocation of efficiency target for Regeneration Services Review to Visitor Economy* | 19 | Currently these savings are projected to be delivered in full. |
| Children's Services and Education | Allocation of efficiency target for Regeneration Services Review to Skills*. | 19 | Currently these savings are projected to be delivered in full. |
| Public Health | Allocation of efficiency target for Regeneration Services Review to Library services* | 15 | Currently these savings are projected to be delivered in full. |
| Governance | Governance Efficiencies | 100 | Currently these savings are projected to be delivered in full. |

| Directorate | Description | 2022-2023 Target £000 | Progress Update |
|------------------------------------|---|--------------------------|--|
| Finance | Finance Efficiencies | 150 | Currently these savings are projected to be delivered in full. |
| City Housing and Environment | Allocations of Environmental Services Efficiencies target* | 234 | Currently £75,000 savings are being reported at risk. |
| Strategy | | 13 | Currently these savings are projected to be delivered in full. |
| Communications and Visitor Economy | | 3 | Currently £3,000 being reported to be at risk of delivery |
| City Housing and Environment | Delivering Independent Transport | 315 | Currently these savings are projected to be delivered in full. |
| Strategy | Insight and Performance review | 50 | Currently these savings are projected to be delivered in full. |
| Strategy | ICT Review | 150 | Currently these savings are projected to be delivered in full. |
| Communications and Visitor Economy | Communications Service Review | 50 | Currently a saving target of £50,000 is on target to be partially delivered. |
| Corporate Accounts | Vacancy Factor and underlying underspends in year 2022-2023 across services | 2,700 | Currently these targets can be delivered in full from efficiencies across the council. |
| Total | | 4,645 | |

*these savings targets were allocated at the beginning of the financial year across services within the directorate at the time. Since this, some services moved to other directorates.

- 4.12 Table 2 below summarises the projected outturn position for 2022-2023. Further detail on the most significant variances against the budget are reported on a service-by-service basis in Appendix 2.

Table 2 – 2022-2023 General Fund Revenue Budget Projected Outturn

| | Net Controllable Budget 2022-2023 | Projected Outturn 2022-2023 | Projected Variation | |
|--|--|-----------------------------------|------------------------|--------------|
| | | | Over/(Under) | |
| | £000 | £000 | £000 | % |
| Commissioning and Transformation | 3,320 | 3,320 | - | 0.00% |
| Adult Services | 79,627 | 79,627 | - | 0.00% |
| Children's Services and Education | 51,345 | 49,595 | (1,750) | (3.41%) |
| Public Health and Wellbeing | 5,465 | 6,576 | 1,111 | 20.33% |
| City Housing and Environment | 31,217 | 32,568 | 1,351 | 4.33% |
| City Assets | 11,221 | 11,099 | (122) | (1.09%) |
| Regeneration | 2,481 | 2,746 | 265 | 10.68% |
| Finance | 15,497 | 15,581 | 84 | 0.54% |
| Governance | 14,035 | 13,943 | (92) | (0.66%) |
| Strategy | 11,864 | 10,951 | (913) | (7.70%) |
| Communications and Visitor Experience | 2,316 | 2,295 | (21) | (0.91%) |
| Corporate Budgets | 41,753 | 37,013 | (4,740) | (11.35%) |
| Forecast net impact of pay award | 18 | - | (18) | (100%) |
| Adjustment to Capital Receipts Flexibility | (3,000) | - | 3,000 | (100%) |
| Contribution to Future Years Budget Strategy Reserve | - | 2,263 | 2,263 | (100%) |
| Net Budget Requirement | 267,159 | 267,577 | 418 | 0.16% |
| Council Tax (including Adult Social Care Precept) | (118,072) | (118,072) | - | - |
| Enterprise Zone Business Rates | (1,422) | (1,422) | - | - |
| Top Up Grant | (27,399) | (27,817) | (418) | (1.53%) |
| Business Rates (net of WMCA growth payment and Collection Fund deficit) | (64,000) | (64,000) | - | - |
| New Homes Bonus | (1,632) | (1,632) | - | - |
| Section 31 Grant - Business Rates Support | (21,170) | (21,170) | - | - |
| Collection Fund (Surplus)/Deficit | 1,781 | 1,781 | - | - |
| Services Grant | (5,492) | (5,492) | - | - |
| Social Care Grants | (16,305) | (16,305) | - | - |
| Improved Better Care Fund | (14,761) | (14,761) | - | - |
| Lower Tier Funding | (487) | (487) | - | - |
| Contribution to / from reserves | 1,800 | 1,800 | - | - |
| Total Resources | (267,159) | (267,577) | (418) | 0.16% |
| Net Budget (Surplus) / Deficit | - | - | - | - |

5.0 Risk Management

- 5.1 The Council is no different to any other organisation and will always face risks in achieving its objectives and priorities. Sound risk management can be seen as the clear identification and management of such risks to an acceptable level.
- 5.2 The Strategic Risk Register is reviewed in conjunction with risk owners, reviewed by SEB and presented to the Audit and Risk Committee on a regular basis. The Strategic Risk Register was presented to Audit and Risk Committee on 6 March 2023 and is showed at Appendix 3.
- 5.3 In addition to the Medium Term Financial Strategy being incorporated in the Strategy Risk Register, there is also a separate General Fund budget risk register for 2022-2023. The overall level of risk associated with the budget 2022-2023 is assessed as Green. As detailed in section 4 it is forecast that the Council is currently forecasting to be within budget for 2022-2023.
- 5.4 Inflation and the increasing cost of living is considered to be a significant risk, not only the direct costs of the council but on our businesses and residents. This will continue to be monitored and updates provided in future reports. Inflation is incorporated in the Strategic Risk Register and the General Fund budget risk register.

6.0 Housing Revenue Budget Monitoring

- 6.1 The paragraphs and the table below detail the latest forecast revenue outturn against budget for the Housing Revenue Account (HRA). The cost pressures identified in the following paragraphs result in a projected reduction in the provision for debt redemption of £1.2 million, after a budget virement of £2.0 million was approved which reduced the budget for debt redemption by £2.0 million to increase the funding to Wolverhampton Homes.

Table 3 – Housing Revenue Account Projected Outturn 2022-2023

| | Budget | Projected | Projected |
|--|---------------|------------------|------------------|
| | £000 | Outturn | Variation |
| | | £000 | £000 |
| Total income | (99,833) | (99,706) | 127 |
| Total expenditure | 74,219 | 74,436 | 217 |
| Net cost of HRA services | (25,614) | (25,270) | 344 |
| Interest payments etc | 10,233 | 11,119 | 886 |
| Contribution to capital financing and provision for redemption of debt | 15,381 | 14,151 | 1,230 |
| | | | |
| Balance for the year | - | - | - |
| | Budget | Projected | Projected |
| | £000 | Outturn | Variation |
| | | £000 | £000 |
| Total income | (99,833) | (99,706) | 127 |

| | | | |
|--|----------|----------|-------|
| Total expenditure | 74,219 | 74,436 | 217 |
| Net cost of HRA services | (25,614) | (25,270) | 344 |
| Interest payments etc | 10,233 | 11,119 | 886 |
| Contribution to capital financing and provision for redemption of debt | (15,381) | (14,151) | 1,230 |
| | | | |
| Balance for the year | - | - | - |

- 6.2 Income from rents and service charges is forecast to be £127,000 lower than budgeted. When setting the budget, assumptions were made about the level of empty properties, this level was higher than anticipated earlier in the year resulting in reduced.
- 6.3 Expenditure on depreciation is currently forecast to be £564,000 above budget, this is as a result of reviewing the provision for the impact of inflation on component replacement costs.
- 6.4 In addition, as detailed in the Treasury Management Activity Monitoring Mid year review 2022-2023 report on this same agenda, there is currently a forecast overspend of £886,000 million on the HRA due to higher interest payable costs.
- 6.5 The previous performance and Budget monitoring reports presented to Cabinet for quarters 1 and 2 reported the impact of inflation on the managing agents. In particular Wolverhampton Homes have been reporting cost pressures from the local government pay award for 2022-2023 on their substantial workforce and the demand and increasing costs of repairs.
- 6.6 The quarter 2 Performance and Budget Monitoring Report approved delegation of authority to the Cabinet Member for City Housing and Assets and the Cabinet Member for Resources and Digital City, in consultation with the Director of City Housing and Environment and the Director of Finance to negotiate and finalise any changes required to the 2022-2023 management fee payable to Wolverhampton Homes. An additional payment of £2.0 million has been approved for payment to Wolverhampton Homes and a virement approved to fund it. The virement increased the Repairs and Maintenance budget by £1.5 million the supervision and management by £0.5 million. The contribution for debt redemption was decreased accordingly by £2.0 million.
- 6.7 The impact of the pressures referred to in the paragraphs above has resulted in a forecast reduction of £1.2 million provision for the redemption of debt. The impact has been included in the update of the HRA Business Plan, reported to Cabinet on 18 January 2023 and Full Council 25 January 2023 in the report HRA Business Plan 2023-2024 including rents and services charges.
- 6.8 Further detail is shown in Appendix 5.

7.0 Changes to Grant Funded Expenditure

- 7.1 It is not always possible to reflect all grant funded or externally funded expenditure in the budget approved by Full Council prior to the start of the financial year. This is due to the late notification from grant awarding bodies of grant amounts, use of historic grants and proactive grant applications during the year and confirmation of other external funding.
- 7.2 Approval is sought from Cabinet to establish supplementary budgets within the 2022-2023 approved budget as set out in the table below, and in accordance with the funding terms and conditions. This will have no effect on the Council's net revenue budgets as the expenditure is fully funded from the grant / external income.

Table 4 – Supplementary budget approvals sought from Cabinet

| Grant Name / Funding source | Description of the Activities this grant will fund | Awarding Body | Expenditure 2022-2023 £000 |
|---|--|---|-----------------------------------|
| Wild Escape Grant | To bring museums, schools, families together to engage young people with UK's natural environment | Ironbridge Gorge Museum Trust | 3 |
| ASYE grant (Assessed and Supported Year in Employment) | To fund a part time administrative role temporarily to provide additional support around social worker training needs in their first year. | Department of Education | 15 |
| Apprenticeship (ESFA) Fees | To fund a part time administrative role temporarily to provide additional support around apprenticeship schemes. | Department of Education | 17 |
| Contained Outbreak Management Fund | Vaccine clinics across The Black Country | NHS Black County Integrated Care Board | 250 |
| Social Worker in Schools | Funding for 5 Social Workers and 1 Team manager practicing statutory social work in selected schools. | What Works for Children's Social Care – Department of Education | 188 |
| Section 31 Grant Determination 31/6499: Biodiversity Net Gain Grant (BNG) | The grant is intended to further support local planning authorities in their preparations for the introduction of mandatory BNG. | Department for Environment, Food and Rural Affairs | 27 |
| Disabled Facilities Grant | To uplift the staffing levels within the Occupational Therapy service | Department for Levelling up, Housing and Communities | 294 |

| Grant Name / Funding source | Description of the Activities this grant will fund | Awarding Body | Expenditure 2022-2023 £000 |
|--|--|---------------|----------------------------|
| Additional income from Civil Penalties to private landlords within Private Sector Housing and use of reserve | To fund the cost of a Project Officer and Senior Environmental Health Office roles | n/a | 141 |

8.0 Reserves

- 8.1 Reserves are resources that the Council has accumulated over time. They are an integral element of our budget setting process, medium term financial planning. They play a vital role in the financial sustainability of the Council. We use reserves to help mitigate the risk that we face as well as to fund specific planned expenditure.
- 8.2 On 1 March 2023, Full Council approved the Reserves Strategy. This strategy details the purposes for which reserves are held and recommendation on specific reserves for approval.
- 8.3 The Strategy considers that the Council's General Fund Balance which is £13.7 million is maintained at 5% of the net budget.
- 8.4 In addition to the General Fund balance, the Council also holds a number of reserves for different purposes, including reserves for managing risk, investment reserves and smoothing reserves. At the end of 2021-2022 these reserves totalled £59.2 million. In addition, the Council is also required to hold a number of restricted reserves due to either specific criteria associated with funding, legal requirements or accounting practice. At the end of 2021-2022 these reserves totalled £53.0 million (including Schools Reserves). A sub group of the Resources and Equalities Scrutiny Panel will be undertaking a review of reserves which will feed into the budget process for 2023-2024.

Transfers to / from Earmarked Reserves

- 8.5 Approval is sought for a number of transfers to/from earmarked reserves, as set out in the following paragraphs and the establishment of associated supplementary budgets in 2022-2023.

HRA Homelessness Reserve

- 8.6 Approval is sought from this meeting for the use of £108,682 from the HRA Homelessness Reserve and the establishment of associated supplementary budgets to fund Bed and Breakfast accommodation for homeless families/persons.

Building Control Service

- 8.7 Approval is sought from this meeting for the use of £35,000 from the Building Control Service Reserve and the establishment of associated budgets to fund the shortfall in income against chargeable activities in the service.

Our City Our Plan Reserve

- 8.8 Approval is sought from this meeting for the use of £254,650 from the Our City Our Plan Reserve and the establishment of associated budgets to fund the ongoing delivery of Wolves at Work 18-24 youth employment programme.

Licencing Reserve

- 8.9 Approval is sought from this meeting for the contribution of £750,000 to the Licencing Reserve from Licencing Service forecasted 2022-2023 underspend.

Regional Adoption Agency (RAA)

- 8.10 Approval is sought from this meeting for the use of £193,350 from the Regional Adoption Agency Reserve and the establishment of associated budgets to support the 2022-2023 partners contributions to the service.

Budget Contingency Reserve

- 8.11 Approval is sought from this meeting for the use of £120,000 from the Budget Contingency Reserve fund to support expenditure on major projects.

9.0 Debt Write offs

- 9.1 Debts are only written off as a last resort, when all feasible recovery action has been exhausted. If the situation surrounding an individual case changes in the future, steps would be taken to pursue the debt, despite the debt having been written off.
- 9.2 This report seeks approval to a number of debts write offs in relation to Sundry Debtors, Council Tax and Non-Domestic Rates. The details of these write-offs are provided in Appendix 8, Appendix 9 and Appendix 10.

10.0 Evaluation of alternative options

- 10.1 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between employees and other controllable expenditure headings, require the approval of Cabinet. Contributions to and from reserves and the creation of supplementary budgets also require Cabinet approval. The write-offs, virements, use of reserves and creation of supplementary budgets detailed in this report which seek the approval of Cabinet are all considered prudent in the opinion of the Director of Finance.

11.0 Reasons for decisions

- 13.1 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable

Expenditure headings, require the approval of Cabinet. Contribution to and from reserves also requires the approval from Cabinet. The write-offs, virements and use of reserve requests detailed in this report which seek the approval of Cabinet are all considered to be prudent in the opinion of the Director of Finance and the Cabinet Member for Resources and Digital.

12.0 Financial implications

- 12.1 The financial implications are discussed in the body of the report.
[MH/14032023/U]

13.0 Legal implications

- 13.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.
[SZ/14032023/P]

14.0 Equalities implications

- 14.1 The method by which the Budget is developed is governed by Our City: Our Plan priorities, which itself is guided by consultation and equality analysis. The development of various budget proposals includes an initial equalities screening for each proposal and, where necessary, a full equalities analysis which will provide for an initial understanding of the equality impact of the draft proposals. All of this will enable Councillors to pay, “due regard” to the equalities impact of their budget decisions at that point in the budget development process. The resulting and final report to Cabinet and Council will contain a supporting equality analysis that will offer information across the whole range of proposals and in doing so will enable Councillors to discharge their duty under Section 49 of the Equality Act 2010.
- 14.2 Fairness and inclusion is a key cross cutting theme within Our City: Our Plan. As part of performance reporting, there is ongoing work to ensure that where possible data is collected and able to be analysed by protected characteristic, to ensure that the Council is meeting its responsibilities and commitments in relation to equality and diversity.

15.0 All other implications

- 15.1 There are no other implications.

16.0 Schedule of background papers

- 16.1 Relighting Our City: City of Wolverhampton Council Recovery Commitment, report to Full Council on 16 September 2020
- 16.2 Relighting Our City Recovery Commitment Refresh, report to Cabinet on 17 March 2021

- 16.3 [2021-2022 Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026](#), report to Cabinet on 23 February 2022 and Full Council on 2 March 2022
- 16.4 [Our City: Our Plan](#), report to Cabinet on 23 March 2022 and Full Council on 2 March 2022
- 16.5 [Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026](#), report to Cabinet on 27 July 2022
- 16.6 [Performance and Budget Monitoring](#), report to Cabinet on 7 September 2022
- 16.7 [2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026](#), report to Cabinet on 22 February 2022 and Full Council on 1 March 2023.

17.0 Appendices

- 17.1 Appendix 1 - Performance Update
- 17.2 Appendix 2 - Budget Monitoring
- 17.3 Appendix 3 – Strategic Risk Register
- 17.4 Appendix 4 - General Fund Budget Risks 2022-2023
- 17.5 Appendix 5 - Housing Revenue Account
- 17.6 Appendix 6 - School Balances
- 17.7 Appendix 7 - Debt Write Offs
- 17.8 Appendix 8 – Sundry Debt Write offs
- 17.9 Appendix 9 – Council tax Write Offs
- 17.10 Appendix 10 – Non-domestic Rates Write offs
- 17.11 Appendix 11 – General Fund Budget Virements