

Quarter 1 2023-2024 Budget Performance

1.0 Summary

- 1.1 On 1 March 2023, the Council approved the net budget requirement for 2023-2024 of £306.4 million for General Fund services.
- 1.2 Overall, early indications forecast that there are some cost pressures within some Directorates as outlined in section 3 of the report and below. Work continues to understand the extent of these potential pressures and what measures can be put in place to mitigate against them. These will be kept under review with a more detailed provided to Councillors in future reports.
- 1.3 It should be noted that the 2023-2024 budget also includes efficiency targets of which £6.2 million is held corporately. As part of the Reserves and Provisions report to Cabinet on 12 July 2023, approval was given for the use of the Future Years Budget Strategy Reserve to fund this in-year target in the event it cannot be met in full from in-year efficiencies. Performance against the target will be kept under review and updates provided in future reports to Councillors

2.0 Commissioning and Transformation

- 2.1 Early forecasts are that the directorate is within budget for 2023-2024.

3.0 Adult Services

- 3.1 The 2023-2024 Budget approved by Council on 1 March approved growth totalling £14.0 million for Adult Services to support inflationary and demand pressures across the service. However, there continues to be significant uncertainty and early indications are that there are cost pressures across the care purchasing budget, specifically Older People Care Purchasing due to increased forecast demand and rising costs. This will be kept under review with more information provided to Councillors in future reports.

4.0 Children's Services and Education

- 4.1 The transformative projects and programmes have achieved significant and positive changes for children and young people living and learning in Wolverhampton. There has been a slight increase in the overall number of children and young people in care, in particular we have seen a small increase in the number of complex high-cost residential placements. Early indicators project that there may be cost pressures as a result of these placements, however work is ongoing to understand the projected impact across the directorate and where efficiencies can be identified to offset these

potential pressures. Further updated will be provided in future reports to Councillors.

- 4.2 In addition, for Adult Education, current projections indicate that inflationary pressures could exceed the level of grant available in year. The service is currently looking at ways to mitigate this in-year.

5.0 Public Health and Wellbeing

- 5.1 It has previously been reported to Cabinet that there are significant cost pressures within New Communities and Homelessness (Public Health and Wellbeing Directorate) and on Housing Benefits and Subsidy (Finance Directorate) as a result of increased demand in relation to temporary and supported accommodation. In recognition of these ongoing pressures, the 2023-2024 budget includes significant growth totalling £2.0 million, currently held corporately. Wolverhampton Homes have seen a large increase in the number of homelessness 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 number of families being asked to leave due to relationship breakdowns. Current projections indicate that the growth provided is sufficient to meet the forecast cost pressures in 2023-2024, however this will be kept under review and updates provided to Councillors in future reports.

- 5.2 In addition, WV Active, within Public Health and Wellbeing are currently projecting an increase in membership income for 2023-2024.

6.0 Resident Services

- 6.1 The 2023-2024 budget built in significant growth to support inflation, demand pressures and loss of income post the pandemic (parking services and markets). Early indicators are that despite this growth, there are some emerging pressures in some areas, such as Fleet Services, Transportation and Travel Unit. These cost pressures are as a result of additional fleet hire charges and increase in demand for passenger transport within the Travel Unit service. The 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. In addition, the planned fleet replacement programme is in delivery to mitigate against the increasing vehicle hiring costs in the future.

- 6.2 These pressures are currently being offset in part from additional income from energy within Waste Services. The 2023-2024 budget incorporated growth, held corporately, in anticipation of potential emerging cost pressures within Waste Services, the additional income identified provides an opportunity to review the level of growth required as part of the 2024-2025 budget.

7.0 City Assets

- 7.1 The Directorate overall is currently forecasting to be within budget.
- 7.2 The 2023-2024 Budget and MTFS 2023-2024 to 2026-2027 report approved by Cabinet on 22 February 2023 approved growth totalling £3.7 million to fund the rising energy prices. Current projections forecast that this growth is sufficient to meet forecast costs for 2023-2024.

8.0 Regeneration

- 8.1 The Regeneration directorate early indications currently forecasting emerging pressures due to lower than budgeted income from planning. The service is currently looking at ways to mitigate this in-year.

9.0 Finance

- 9.1 As detailed in paragraph 5.1, there are significant cost pressures in relation to temporary and supported accommodation. The 2023-2024 budget approves growth held corporately to fund these cost pressures. Current projects indicate that this growth is sufficient to fund these forecast cost pressures.

10.0 Governance

- 10.1 Early indications are forecasting a net underspend position mainly as a result of an underspend within Human Resources which is undergoing a restructure. It is anticipated that this will be completed by October.

11.0 Strategy

Early indications that there are some cost pressures emerging within ICT projected pressures on mobile phones and data usage. This is projected to be offset by efficiencies from across other services, though work is underway to address this specific pressure.

12.0 Communications and Visitor Experience

- 12.1 The Directorate is currently forecasting to be within budget.

13.0 Corporate Budgets

- 13.1 At the time of writing this report, the pay award for 2023-2024 has not yet been agreed. The 2023-2024 budget incorporates growth to support a pay award of 5%. Current projections assume this growth is required in full, however, if the 2023-2024 pay award exceeds this, this will have an impact on the 2024-2025 budget and MTFS.
- 13.2 In addition, it should be noted that the 2023-2024 budget also includes efficiency targets of £6.2 million which is held corporately. As part of the Reserves and Provisions report to Cabinet on 12 July 2023, approval was given for the use of the Future Years Budget Strategy Reserve to fund this in-year target in the event it cannot be met in full from in-year efficiencies.

Performance against the target will be kept under review and updates provided in future reports to Councillors.