

CITY OF
WOLVERHAMPTON
COUNCIL

Scrutiny Board

8 February 2022

Time 6.00 pm **Public Meeting?** YES **Type of meeting** Scrutiny
Venue Council Chamber

Membership

Chair Cllr Paul Sweet (Lab)
Vice-chair Cllr Simon Bennett (Con)

Labour

Cllr Philip Bateman MBE
Cllr Val Evans
Cllr Rita Potter
Cllr Jasbinder Dehar
Cllr Asha Mattu
Cllr John Reynolds
Cllr Susan Roberts MBE
Cllr Zee Russell
Cllr Barbara McGarrity QN

Conservative

Cllr Wendy Thompson
Cllr Ellis Turrell

Quorum for this meeting is four Councillors.

Information for the Public

If you have any queries about this meeting, please contact the Democratic Services team:

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Tel/Email julia.cleary@wolverhampton.gov.uk
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Wolverhampton WV1 1RL

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Agenda

Part 1 – items open to the press and public

Item No. *Title*

MEETING BUSINESS ITEMS

- 1 **Apologies for absence**
- 2 **Declarations of interest**

DISCUSSION ITEMS

- 3 **Financial Inclusion Strategy - Engagement and Consultation**
[To receive a presentation from Alison Hinds, Deputy Director of Children's Social Care and Kate Lees, Partnership Manager Children's Services]

PRE-DECISION SCRUTINY ITEMS

- 4 **Council Plan, Medium Term Financial Strategy and Performance Framework**
(Pages 3 - 56)
[To receive a presentation from Charlotte Johns, Director of Strategy; James Amphlett, Head of Insight and Performance; Claire Nye, Director of Finance and Alison Shannon, Chief Accountant]
- 5 **Background Papers** (Pages 57 - 96)

Council Plan, MTFs and Performance Framework – Pre-Decision Scrutiny

Scrutiny Board
08/02/2022

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Agenda Item No: 4

Introduction

- Pre-decision scrutiny for:
 - New Council Plan
 - 2022-2023 Budget Position
 - Future Challenge - MTFS
 - Performance management

Council Plan

Background

- The Our Council Plan 2019 – 2024 was approved by Council on the 4 April 2019 and covers a 5 year period.
- It sets out how we will work with our partners and communities to make Wolverhampton a city of opportunity.
- Each year, a short “refresh” of the Council Plan is carried out to ensure that resource and effort continue to be aligned to the needs of local people.
- Since the launch of the plan in 2019 the world we live and work in has changed significantly.
- Key policy areas have been incorporated into a refreshed narrative and updated structure which has a focus on delivery and performance.
- The refreshed plan also aligns the Council Plan with the key priorities and objectives identified in the Relighting Our City Recovery framework.



Overarching Priorities

The plan continues to identify an overarching ambition that 'Wulfrunians will live longer, healthier lives' delivered through the six Council Plan priorities;

1. Strong families where children grow up well and achieve their full potential
2. Fulfilled lives with quality care for those that need it
3. Healthy, inclusive communities
4. Good homes in well connected neighbourhoods
5. More local people into good jobs and training
6. Thriving economy in all parts of the city

Cross Cutting Principles

- The Relighting Our City recovery framework identified three cross cutting principles.
 - **Climate Conscious** – The climate emergency remain one of the biggest challenges facing the city with
 - **Driven by Digital** – Covid 19 has highlighted that digital connectivity and skills are vital to the social and economic prosperity of our communities.
 - **Fair and Equal** – We will continue to tackle the inequalities which impact the opportunities of local people.
- These principles are as important now as they were at the launch of Relighting Our City and have been taken forward and incorporated into the refreshed plan.

Policy Updates

- From engagement with communities and partners as well as analysis of key data sets a number of cross cutting policy areas have emerged and been incorporated into the refreshed plan.
- Many of these policy areas were present in previous plan but have been given a renewed focus.
 - Covid 19 – Ongoing support to limit the spread of the virus
 - Youth Unemployment and Skills
 - Wolverhampton Pound
 - Asylum and Refugees
 - Mental Health and Wellbeing
 - Access to Health Care Services
 - Digital Inclusion and Skills

Strategic Framework

- The plan takes forward a new approach to the structure of the Council Plan with a focus on aligning our strategic objectives with operational delivery and performance.
- Each priority area includes;
 - Strategic Narrative – Policy position statement on each priority area. Detailing the Council's position and areas of focus, challenge and opportunity.
 - Outcomes – Clarity about the outcomes the Council are seeking to achieve under each priority area.
 - Objectives – Well defined objectives which are measurable, specific and achievable to support delivery of outcomes.
 - Key Activity – Highlighting planned projects, investment and activity to support deliver of the Council Plan priorities.

Consultation and Engagement

- The refreshed plan has been developed through regular, continued engagement with key stakeholders and communities;
 - Relighting Our City Engagement (survey, citizens assembly, focus groups) – 2,500 people
 - Two Life in Lockdown Employee Surveys - 1270 (May 2020) and 763 (November 2020) respondents.
 - Young People's Design Jam and Focus Groups
 - Engagement sessions with key stakeholders, city partners, businesses and the voluntary and community sector.
 - Council Plan Refresh Resident Survey – 500 respondents to date
- Through our Relighting Our City engagement and recent engagement on the refresh of the Council Plan in excess of 3,000 people fed back their priorities for the future.
- Further engagement undertaken on the Council Plan refresh with a short consultation during January and February 2022.

Next Steps

Meeting	Date
Scrutiny Board – Budget and Council Plan	8 th February 2022
Consultation Close	9 th February 2022
Cabinet	23 rd February 2022
Full Council	2nd March 2022

2022-2023 Budget Position

Provisional Settlement

Grant / Resource	Description	Assumptions in October MTFS	Provisional Settlement
Council Tax	Referendum principles for 2022-2023. Government have stated that the Council Tax referendum provisions are not a cap, nor do they force councils to set taxes at the threshold level.	1.99%	Up to 2%.
Adult Social Care Precept	Precept to support pressures within Adult Social Care	No assumptions build into the MTFS in October. December report noted 1% ASC precept	1% would generate in the region of £1.3 million additional income to support pressures in adult services

Provisional Settlement

Grant / Resource	Description	Assumptions in October MTFS	Provisional Settlement
New Homes Bonus	The Government are proposing the roll forward last year's policy on NHB for 2022-2023 - this will not attract new legacy payments. The Government will continue to pay 2019-2020 legacy payments.	2019-2020 legacy payment built in of £265,000	£1.6 million
Service Grant	One off Service Grant totalling £822 million. This grant includes the funding for local authorities costs for the increase in employers National Insurance contributions	nil	£5.5 million
Lower Tier Services Grant	Extension of the 2021-2022 Lower Tier Services grant for a further year	nil	£478,000
Top up Grant	As a result of entering into the Business Rates pilot scheme, the council no longer receives Revenue Support Grant but receives a top up grant adjustment to account for the net effect of the changes.	£26.7 million	£27.4 million
Total General Grants		£27 million	£35 million
Improved Better Care Fund	£63 million uplift on the 2021-2022 levels. Local authorities are required to pool this grant as part of the Better Care Fund with Health	£14.3 million	£14.8 million
Social Care Grant	Includes the roll forward of existing adults and children's social care grants. Additional £636 million of funding for equalisation against the 1% ASC precept and inflationary uplift to support integrated working with the NHS	£11.4 million	£15.4 million
Market Sustainability and Fair Cost of Care Fund/ National Insurance Health and Social Care levy	£162 million for 2022-2023 to support local authorities to prepare their markets for reform and move towards paying providers a fair cost of care. Funded from the National Insurance levy.	nil	£929,000
Total Social Care Grants		£25.7 million	£31.1 million
Overall Total Grants		£52.7 million	£66.1 million

Council Tax and Business Rates

The overall position for Council Tax and Business Rates has improved when compared to the original estimates in the MTFS. Total of £7.4 million (incl Top up grant)

- Council Tax
 - Higher number of new properties than expected
 - Level of Council Tax support claimants not as high as predicted
- Business Rates
 - Protection via reliefs and multiplier freeze
 - Appeals rejected for material change in circumstances due to covid – one off relief provided
 - Some improvement in collection rate

Inflation and Growth

Council Priority	Changes to Growth and Inflation	2022-2023		
		Growth as at Feb 21	New Growth Feb 22	Total Growth
		£m	£m	£m
General Inflation and Growth				
Fulfilled lives with quality care for those that need it	Adult Social Care - funding to support cost pressures including National Living Wage, fee uplift and demographic growth	3.500	5.650	9.150
Stronger families where children grow up well and achieve their full potential	Growth for Children and Young People in Care	0.150	-	0.150
Healthy, inclusive communities	Inflation for PFI Leisure contract	0.090	-	0.090
Good homes in well-connected communities	Inflation for waste disposal contracts	0.142	-	0.142
Good homes in well-connected communities	Growth for West Midlands Transportation levy	0.036	0.062	0.098
Our Council	NNDR, Gas, Electricity, general inflation / demographic growth	1.194	-	1.194
Our Council	Growth for ICT - contract inflation and licences	-	0.413	0.413
Our Council	Growth City Environment - Coroners	-	0.137	0.137
Our Council	Reduction to Bad Debt Provision	-	(0.500)	(0.500)
Our Council	Removal of cost pressures for Covid 2021-2022	(4.310)	-	(4.310)
Our Council	Forecast cost pressures for Covid in 2022-2023	-	1.870	1.870
Our Council	Pay related inflation - including growth to fund the increase in Employers NI (£1 million)	5.249	0.800	6.049
Our Council	Treasury Management	3.879	(1.500)	2.379
Sub Total - Inflation and Growth		9.930	6.932	16.862

Growth to fund priorities

Inflation and Growth planned going forward

Council Priority	Changes to Growth and Inflation	2022-2023		
		Growth as at Feb 21	New Growth Feb 22	Total Growth
		£m	£m	£m
Growth for Investment in Our Priorities				
Cross Cutting	Changes to Growth held Corporately to support Council Priorities	0.164	1.474	1.638
More local people into good jobs and training	Growth to support City Investment	-	0.081	0.081
Our Council	Changes to Growth held for Corporate Asset Management	(0.250)	-	(0.250)
Our Council	Growth for Contract Management to fund improvements in contract management	-	0.136	0.136
Our Council	Growth for Governance - for elections and occupational health	-	0.082	0.082
Sub Total Growth for Investment in Our Priorities		(0.086)	1.773	1.687
Overall Total for Growth and Inflation		9.844	8.705	18.549

Strategy to reduce risk in 2022-2023 & 2023-2024

- Reduce call on capital receipts in 22/23
- Carry forward some of the reserves

Savings Proposals at October	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M
Use of Capital Receipts	(5.000)			5.000
Underspend from 2021-2022 transferred to a reserve	(4.000)	4.000		
Total	(9.000)	4.000	-	5.000

Revised Proposals	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M
Use of Capital Receipts	(3.000)	(2.000)		5.000
Underspend from 2021-2022 transferred to a reserve	(1.000)	(2.000)	3.000	
Total	(4.000)	(4.000)	3.000	5.000

Adult Social Care

- Additional funding from Adult Social Care Precept and increase in Social Care Grants to be passported to Adult Services to fund pressures
- Review of pressures in light of new funding and the Building Back Better: Our Plan for Health and Social Care and the Adult Redesign work
- Proposal to delete savings target of £2 million for 2022-2023

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Pressures:

- Fee uplift
- Demographic growth
- Discharges from hospital
- Managing demand across the current system
- Delivery of Adult Redesign and Health and Social Care Reform

Strategy to manage risks in 2022-2023

• Collection Fund Risks

- Business Rates relief announced on 15 December 2021, funded by Section 31 grant of £5.4 million. Reliefs are to be applied to 2021-2022 bills.
- Aiming to pass all of the grant through reliefs by the end of March 2022.
- Risk that any variation from this will impact on budget collection fund outturn position for this year and pressure in budget in 2023-2024.
- Other risks associated with impact of Covid; appeals, reliefs, collection rates.

Strategy to manage risks in 2022-2023

- Adults Social Care
 - Risks as identified earlier

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Strategy

- There is an opportunity to transfer £1.8 million to reserves to manage this risk from additional benefit of increased of multiplier protection in 2022-2023.
- If risk doesn't materialise, there is an opportunity to draw down the reserve to support budget in 2023-2024 or manage emerging pressures in 2022-2023.

Balanced budget for 2022-2023

- Taking all the factors into account **we have a balanced budget for 2022-2023**
- We will continue to monitor the risks identified
- We have sufficient reserves to respond to emerging pressures during the year if required

Future Challenge - MTFS

Our MTFS Core Principles

Focussing on Core Business	Promoting Independence and Wellbeing	Delivering Inclusive Economic Growth	Balancing Risk	Being Commercial In Our Approach
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Discussion

- Are these the right core principles to guide our development of our future balanced MTFS?
- E.g. Embedding Wolverhampton Pound

Key Ways to Deliver Our MTFS



Promoting digital
innovation



Reducing demand



Targeted service
delivery



Sustainable
business models



Prioritising capital
investment



Generating income



Delivering
efficiencies



Maximising partnerships
and external income

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Discussion

- Are these ways right to deliver our future balanced MTFS?

One year settlement

No detailed announcements are made on funding reform, though the following statement is made:

Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. The data used to assess this has not been updated in a number of years, dating from 2013-14 to a large degree, and even as far back as 2000.

Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.

As part of this we will look at options to support local authorities through transitional protection.

Corporate Resources

The following assumptions have been made in the MTFS on our funding:

- Council Tax increases by 1.99% - in line with referendum threshold
- Adult Social Care precept levy – 1% per year over the period 2022-2023 to 2024-2025
- Business Rates retention scheme will continue with no detrimental impact of a Business Rates reset or changes to the retention scheme
- Top Up grant will increase by inflation over the medium term

Draft Corporate Resources

Council Tax and Business Rates

	2022-2023	2023-2024	2024-2025	2025-2026
	£M	£M	£M	£M
Council Tax	(103.998)	(107.411)	(110.954)	(114.631)
Social Care Precept	(14.074)	(15.407)	(16.802)	(16.970)
Business Rates (net of WMCA Growth payment)	(64.000)	(70.461)	(71.768)	(73.001)
Enterprise Zone Business Rates	(1.422)	(1.408)	(1.375)	(1.340)
Collection Fund (Surplus) / Deficit - net of irrecoverable losses grant	1.781	1.619	(0.595)	(0.595)
Section 31 Grant	(21.170)	(15.245)	(15.245)	(15.245)
Top Up Grant	(27.399)	(27.947)	(28.506)	(29.076)
Sub Total	(230.282)	(236.260)	(245.245)	(250.858)

Corporate Resources

The following assumptions have been made in the MTFS on our funding:

- Social Care Grants will continue – at 2022-2023 levels over the medium term
- Services Grant is one year only and excluded from any transitional protection. However, projections assume grant funding will continue to support the increase in Employers National Insurance beyond 2022-2023
- New Homes Bonus and Lower Tier Grant will not continue beyond 2022-2023

Draft Corporate Resources

Corporate Grants

	2022-2023	2023-2024	2024-2025	2025-2026
	£M	£M	£M	£M
Lower Tier Funding	(0.478)	-	-	-
Services Grant	(5.492)	-	-	-
Continuation of Grant to support Employers NI increase	-	(1.000)	(1.000)	(1.000)
New Homes Bonus	(1.632)	-	-	-
Better Care Fund Grant	(14.761)	(14.761)	(14.761)	(14.761)
Social Care Grant (Adults and Childrens)	(11.390)	(11.390)	(11.390)	(11.390)
Social Care - additional funding through existing ASC RNF	(3.191)	(3.191)	(3.191)	(3.191)
Social Care - element to equalise for 1% precept	(0.795)	(0.795)	(0.795)	(0.795)
Adult Social Care Reform funding - NI levy	(0.929)	(0.929)	(0.929)	(0.929)
Sub Total	(38.668)	(32.066)	(32.066)	(32.066)
Total Resources	(268.950)	(268.326)	(277.311)	(282.924)

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Where we allocate our funding

2021/2022 budget by service (gross exp, income and net budget)

Directorate	Expenditure £m	2021-2022	
		Income £m	Net Budget £m
Adult Services	109.447	(38.053)	71.394
Children's Services and Education	235.924	(184.050)	51.874
Chief Executive	0.187	0.000	0.187
City Assets	23.781	(13.189)	10.592
City Housing and Environment	64.051	(36.162)	27.889
Corporate Accounts	59.911	(11.460)	48.451
Communications and External Relations	4.453	(2.225)	2.228
Deputy Chief Executive	0.200	0.000	0.200
Finance	88.009	(73.611)	14.398
Governance	14.804	(3.128)	11.676
Public Health & Wellbeing	36.405	(31.066)	5.339
Regeneration	10.752	(7.223)	3.529
Strategy	14.232	(3.492)	10.740
Total Net Budget Requirement	662.156	(403.659)	258.497
Corporate Resources		(258.497)	(258.497)

Income in this table relates to specific service grants or fees and charges raised by the service (this is distinct from the corporate income seen previously)

Where we allocate our funding

Savings Proposals (1)

Directorate	Savings Proposal	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M
Adult Services	Transforming Adult Services	-	(2.000)	-	-
Adult Services	Undeliverable prior year savings for Adult Services	0.167	-	-	-
Adult Services	One off efficiencies from DoLs -reversal of prior year savings	0.230	-	-	-
Children's and Education	One of efficiencies on Section 17 - reversal of prior years saving	0.150	-	-	-
Children's and Education	Transforming Children's Services	(0.100)	-	-	-
Children's and Education	Efficiencies across Children's Services and Education	(0.100)	-	-	-
City Housing and Environment	Efficiencies from the depot review	-	-	(0.500)	-
City Housing and Environment	Environmental Services - Efficiencies	(0.250)	(0.250)	-	-
City Housing and Environment	Delivering Independent Travel	(0.315)	-	-	-
City Assets	City Assets - Asset Management -reversal of prior year one off saving	0.120	-	-	-
Communications	Communications Service Review - efficiencies	(0.050)	-	-	-
Finance	Finance Efficiencies	(0.150)	(0.150)	-	-
Governance	Governance Efficiencies	(0.100)	(0.100)	-	-
Governance	Undeliverable savings - HR Business Improvement Review	0.200	-	-	-
Strategy	ICT Review - efficiencies	(0.150)	(0.150)	-	-
Strategy	Insight and Performance Review - efficiencies	(0.050)	-	-	-
Regeneration	Regeneration Service Review - efficiencies	(0.250)	(0.600)	-	-
Regeneration	Adult Education - Target to break even	(0.030)	(0.030)	-	-
Regeneration	Wolves at Work 2020-2021 - income generation	(0.400)	-	-	-

Where we allocate our funding

Savings proposals (2)

Directorate	Savings Proposal	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M
Corporate Accounts	Efficiencies through contract procurement and management (reversal of 2021-2022 target)	0.250	(0.250)	-	-
Corporate Accounts	Use of capital receipts -reversal of prior year saving	5.000	-	-	-
Corporate Accounts	New use of capital receipts	(3.000)	(2.000)	-	5.000
Corporate Accounts	Reduction on apprenticeship levy budget - reversal of prior years saving	0.045	-	-	-
Corporate Accounts	Targets underspends from 2020-2021 (to be transferred to a reserve)	3.164	-	-	-
Corporate Accounts	Target efficiencies from corporate contingency budgets 2020-2021	1.950	-	-	-
Corporate Accounts	Use of revenues and benefits strategy reserve	(2.000)	2.000	-	-
Corporate Accounts	Staff turnover vacancy factor	(1.200)	-	-	-
Corporate Accounts	Efficiencies from up front pension payment	(0.650)	0.650	-	-
Corporate Accounts	Use of Covid Emergency Grant to support underlying budget pressures	(5.000)	5.000	-	-
Corporate Accounts	Use of one off grants	(1.000)	1.000	-	-
Corporate Accounts	Use of Treasury Management Equalisation reserve	(1.651)	1.651	-	-
Corporate Accounts	Underspend from 2021-2022 transferred to a reserve	(1.000)	(2.000)	3.000	-
Corporate Accounts	Use of Budget Strategy Reserve (not required in 2020-2021)	(2.347)	2.347	-	-
Corporate Accounts	Use of Job Evaluation reserve (not required in 2020-2021)	(1.000)	1.000	-	-
Corporate Accounts	In Year efficiencies from across services	(1.500)	(1.000)	(1.000)	(1.000)
Corporate Accounts	Efficiencies from review of corporate contingency budgets	-	(0.500)	-	-
Total		(11.017)	4.618	1.500	4.000

Undeliverable Savings

Proposed Revisions to savings targets - the tables assume the following targets are deleted:

- Transforming Adult Social Care – target for 2022-2023 of £2 million
- HR Efficiencies targets for 2021-2022 and 2022-2023 totalling £300,000
- Efficiencies through contract procurement target for 2021-2022 and 2022-2023 totalling £500,000
- Adult Social Care – undeliverable prior year saving of £167,000
- Waste Services –Phase 2 – target for 2023-2024 of £1 million

Draft forecast MTFS

Medium Term Financial Strategy	2022-2023	2023-2024	2024-2025	2025-2026
	£M	£M	£M	£M
Previous Years Net Budget Brought Forward	258.497	267.150	280.956	294.627
Pay Related Pressures	6.049	5.227	5.405	5.585
Treasury Management	2.379	-	-	(0.500)
Changes to Growth and Inflation	10.122	3.961	6.766	5.038
Budget Reduction, Income Generation and Efficiencies Targets	(11.017)	4.618	1.500	4.000
Net impact of change in specific grants	1.120	-	-	-
Net Budget (before use of Resources)	267.150	280.956	294.627	308.750
Corporate Resources	(267.150)	(268.326)	(277.311)	(282.924)
Projected Annual Change in Budget Deficit / (Surplus)	-	12.630	4.686	8.510
Projected Cumulative Budget Deficit	-	12.630	17.316	25.826

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Medium Term Assumptions

- The draft forecast deficit is around £12.6 million in 2023-2024, rising to around £25.8 million by 2025-2026
- There continues to be uncertainty around future funding.
- The MTFS projections are based on a number of assumptions and estimates and taking a prudent view on the financial position. Detailed work will continue to refine these assumptions during 2022-2023.
- We will also continue to review emerging pressures, particularly in relation to Adult Social Care.

Capital Programme

	Capital Programme					
	2021-2022 £m	2022-2023 £m	2023-2024 £m	2024-2025 £m	2025-2026 £m	Total £m
Adult Services	0.052	-	-	-	-	0.052
Children's Services	0.047	-	-	-	-	0.047
City Assets	4.075	1.113	-	-	-	5.188
City Housing and Environment	31.430	19.130	10.722	7.750	1.068	70.100
Education and Skills	8.364	25.767	-	-	-	34.131
Finance	13.874	30.029	12.485	4.900	-	61.288
Governance	-	0.075	-	-	-	0.075
Public Health	0.343	0.311	-	-	-	0.654
Regeneration	48.619	38.459	19.907	11.090	-	118.075
Strategy	6.126	1.883	0.452	-	-	8.461
Total General Revenue Account	112.930	116.767	43.566	23.740	1.068	298.071
Housing Revenue Account	54.900	84.663	88.488	84.560	68.760	381.371
Total Capital Programme	167.830	201.430	132.054	108.300	69.828	679.442

Full details of the capital programme can be found in the 'Capital Programme 2021-2022 to 2025-2026 Quarter Two Review' report which is in the supporting papers

Reserves

	Balance as at 1 April 2021 £M	Forecast balance at 31 March 2022 £M
General Fund Balance	(13.651)	(13.651)
Housing Revenue Account Balance	(7.011)	(7.011)
Total	(20.662)	(20.662)

Main Corporate Reserves

Corporate Reserves	Balance as at 1 April 2021 £M	Forecast balance at 31 March 2022 £M
Transformation Reserve	(2.554)	(1.692)
Budget Contingency Reserve	(4.964)	(5.016)
Efficiency Reserve	(5.368)	(5.135)
Budget Strategy Reserve	(7.569)	(7.569)
Total	(20.455)	(19.412)

Specific Reserves Working Group, on 14 December 2021, reviewed the reserves held by the Council and reported back to Our Council Scrutiny Panel on 19 January 2022 with their recommendations (These reports can be found in the supporting papers).

Performance Framework

Council Performance Framework

- 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.
- Using data and analysis across all areas of the business, the Council actively encourages a golden thread of performance monitoring throughout all parts of every service.
- A new performance framework is being developed to reflect how the Council is performing against the refreshed Council Plan and will be reported to Cabinet quarterly alongside financial monitoring.
- This performance framework will provide high-level city data on key priorities, benchmark city performance against national and regional data, highlight the impact of targeted interventions and inform strategic decision-making.

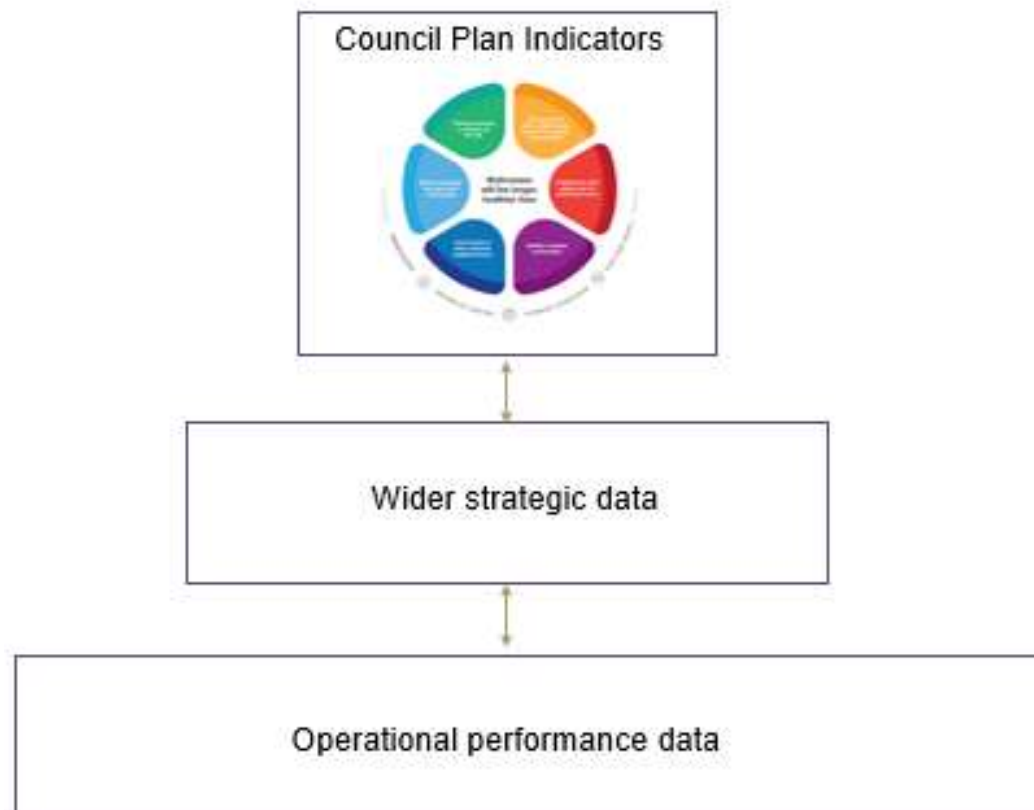
Council Performance Framework

- Research shows that the strongest Council Performance Frameworks have the same qualities;
 - They are presented in a clear and easy way to understand;
 - They clearly link to council priorities;
 - They are consistent and don't change within the period;
 - They show and embrace strong and poorer performance;
 - They are reviewed internally alongside a larger robust performance management process;
 - They are made public through an organisation's website;
 - They include targets and red/amber/green RAG rating.
- Performance frameworks cover both wider systemic challenges (e.g. life expectancy) and activity specifically led by the Council (e.g. planning timescales) – reporting will include clear narrative and distinguish city/council level data.

Council Performance Framework

- The council will publish a consistent, concise set of performance indicators covering the six council priorities and 'Our Council'. These will show performance against the main outcomes of the council plan.
- Sitting alongside these indicators will be a larger set of indicators that will be continually reviewed to ensure objectives are being met.
- This larger set of indicators will be embedded within individual services performance frameworks, which are currently being reviewed.
- This process will help embed the golden thread of data flowing between all levels of Council activity ensuring data driven decision making and that an understanding of performance is evident in everything we do.

Council Performance Framework



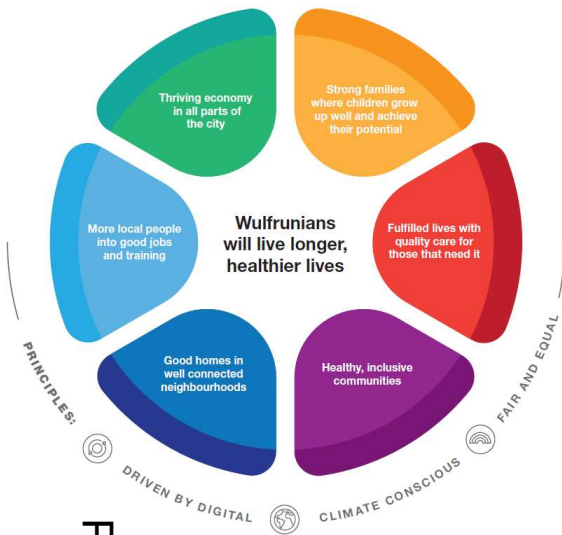
Draft indicators by Council Plan theme

Strong Families Where Children Achieve Their Full Potential



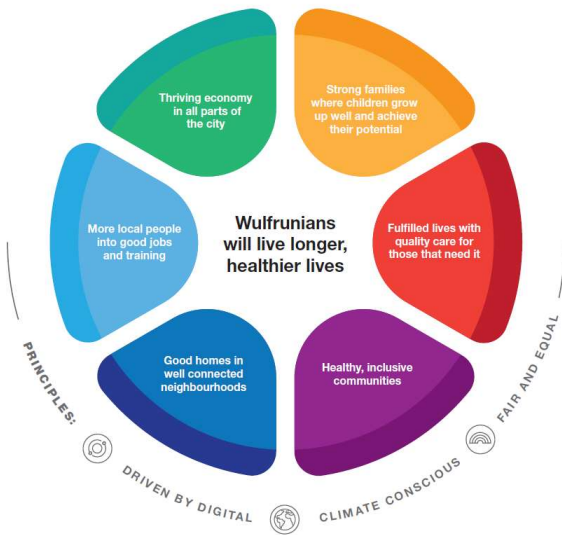
- % of Early Years and Childcare settings rated Good or Outstanding
- % of take up of 2-year-olds benefitting from early education
- % of schools in the city that are rated Good or Outstanding
- Average Attainment 8 score per pupil
- % gap in Attainment 8 score gap between advantaged and disadvantaged children
- Children in year 6 with excess weight
- Attendance at holiday schemes run by the council
- % of 16 and 17 year-olds in education, employment or training
- % of 16 and 17 year-olds with SEND in education, employment or training
- % of care leavers in education, employment or training
- Rate of children open to social care per 10,000 population under 18
- % of repeat referrals into Childrens Social Care with 12 months
- % of children and young people in care who have had 3 or more placements in the year

Fulfilled Lives for Quality Care For Those That Need It



- % of social care users supported to remain in their own homes
- % of adults who use services who say social care services help them to feel safe and secure
- % of adults in receipt of long-term services who are in control of their own lives
- % of older people (aged 65 and older) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services
- % of adults with learning disabilities in paid employment

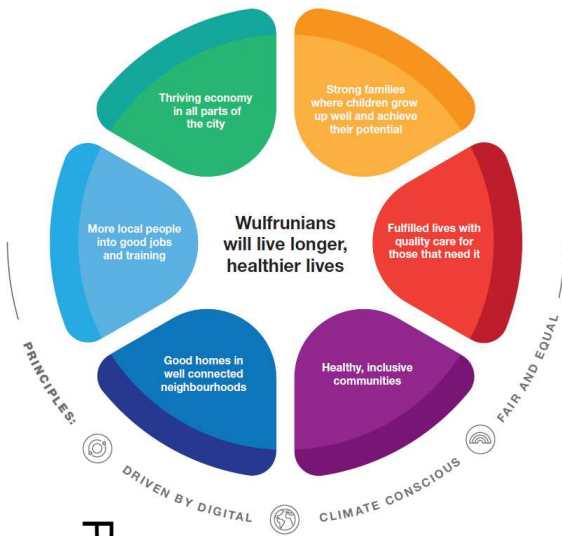
Healthy Inclusive Communities



- % of adult residents in the city who have received their COVID-19 vaccination
- Life expectancy at birth gap between most and least deprived
- % of physically active adults
- How often patients are able to speak to preferred GP when needed (% reporting 'always' or 'a lot of the time')
- Personal well-being estimates by local authority - life satisfaction
- First time entrants into the Youth Justice System
- Rate of Asylum Seekers per 100,000 population

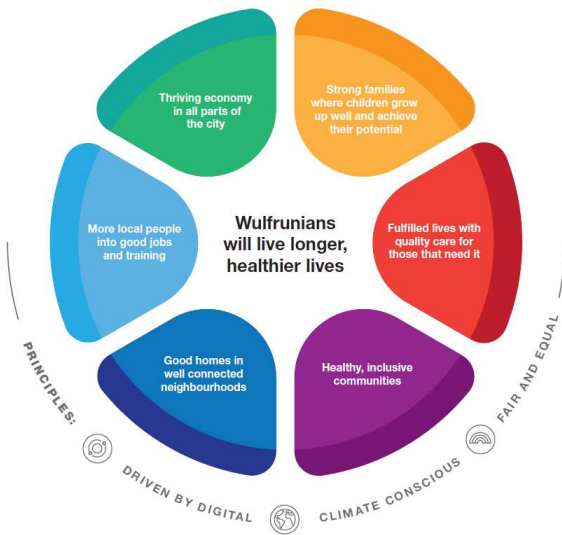
Good homes in well connected neighbourhoods

- Number of new builds completed in the city
- Net additional dwellings in the city
- % of dwelling stock that is vacant in the city
- % of planning application decisions made with 13 weeks or agreed timescales
- Housing affordability ratio
- Number of rough sleepers in the city
- Energy efficiency of housing stock
- Total crime recorded per 1000 population
- Fly tipping incidents reported on public land
- % fly tipping incidents resolved in 5 working days
- % of trees on public land every serviced every two years

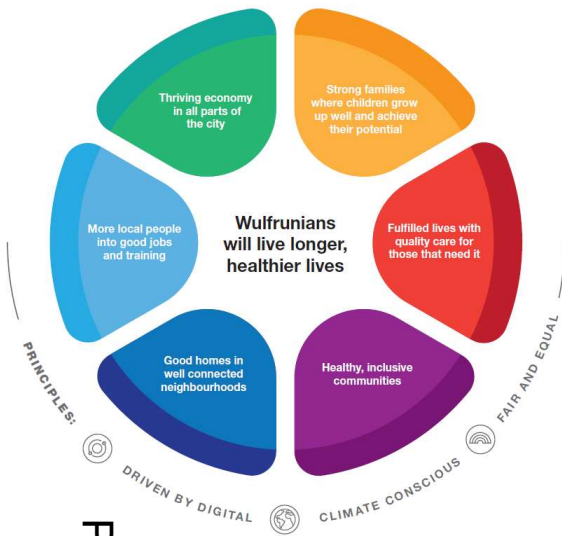


More local people into good jobs and training

- Number of working age adults (16-64) claiming unemployment benefits
- Number of young adults (18-24) claiming unemployment benefits
- Number of jobs created / safeguarded in the city through the Investment Team
- Number of young adults (18-24) supported by Wolves at Work who are in sustained employment after 12 weeks
- Spend through Wolves at Work 18-24 City Ideas Fund
- Local Authority spend on apprenticeship levy
- Number of apprentices and graduate placements within the council



Thriving Economy in All Parts of the City



- Businesses that survive for one year in the city
- Number of Wolverhampton based businesses supported by the Council
- Number of new investment opportunities generated
- Number of Wolverhampton based businesses supported through Business Relight Programme
- New businesses supported by commissioned service Access to Business
- Increase in activity in city retail & recreational settings – Google Analytics
- Increase number of premises connected by full fibre
- Number of rapid charging electric car points in the city



Our Council

- Gender pay gap of council employees
- Ethnicity pay gap of council employees
- Customer Service call wait times
- Sickness absence rates
- LGA Resident Satisfaction Polling
 - Overall, how well informed do you think your council keeps residents about the services and benefits it provides?

Background Papers

Supporting Papers

- Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024, report to Cabinet on 20 October 2021
- Capital Programme 2021-2022 to 2025-2026 Quarter Two Review, report to Cabinet on 17 November 2021
- Review of Reserves, report to Specific Reserves Working Group on 14 December 2021
- Provisional Local Government Finance Settlement and Draft Budget Update, report to Cabinet on 19 January 2022
- Housing Revenue Account Business Plan 2022-2023 including Rent and Service Charges, report to Cabinet on 19 January 2022
- Council Plan – [Draft for Consultation](#)

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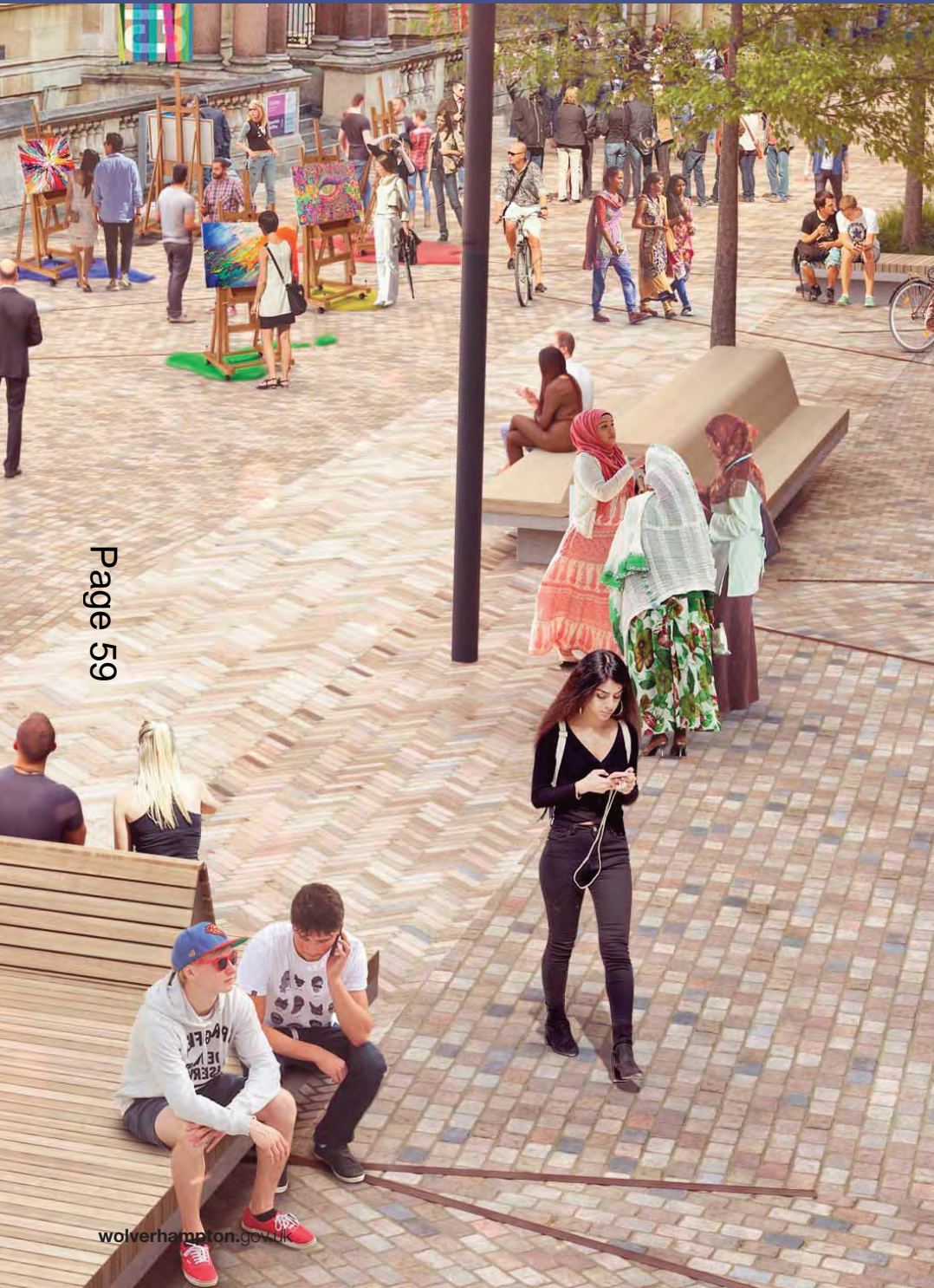


Council Plan

Agenda Item No: 5

Created: 2019
Last published February 2022





Our city

The City of Wolverhampton is a place which is proud of its history, celebrates its diversity and is ambitious for the future.

Our Vision for 2030 is that Wolverhampton will be a place where people come from far and wide to work, shop, study and enjoy our vibrant city. It will be transformed while still retaining all of those attributes that give our city its unique identity. A healthy, thriving and sustainable international 'smart city' - renowned for its booming economy and skilled workforce, rich diversity and a commitment to fairness and equality that ensures everyone has the chance to benefit from success.

FOREWORD

The Covid-19 pandemic has been an unprecedented national challenge with a profound impact on communities in the city. We want to start by remembering those residents of the city who have lost their lives to Covid-19. Their loss will be felt by friends and relatives every single day.

We also want to pay tribute to the many services, organisations, teams and volunteers across the city who have all played their part to support the people of this city in such challenging times. We have all been dedicated to protecting the health, wellbeing and livelihoods of the communities we serve. The long-term impacts of the crisis are emerging and will extend beyond the scope of this plan.

As we move towards a new normal, we remain dedicated to improving services and outcomes for local people. Our Council Plan was developed following feedback with thousands of residents and the principles and priorities that they told us about are still central to this plan. We committed to reviewing the plan regularly and this latest refresh introduces a number of improvements.

It focusses on the core areas where we need to make the biggest difference, more jobs, better opportunities for young people and tackling the climate emergency.

These priorities are your priorities, and the council is determined to work with partners across the city to make sure that we deliver upon them.

We will continue to look after our own, together, as 'one city' and we'll be bold and ambitious about transforming the lives of our residents.



Councillor
Ian Brookfield
Leader of the Council



Tim Johnson
Chief Executive



INTRODUCTION

Our Council Plan sets out how we will work with our partners and communities to build a more prosperous and inclusive Wolverhampton where everyone can share in the opportunities and success of our city.

The city is going through a period of significant transformation with new investment, new opportunities and new challenges. We are an ambitious city and council. This plan sets out how we will continue to deliver consistently good services, in tough financial times, whilst managing our money so we can invest in the things that matter to local people and continue to transform our city together.

We know that the Covid-19 pandemic has had a profound impact on our communities. In response we launched the Relighting Our City Plan in September 2020. This plan provides a framework to support the city's transition from the response to the recovery phase

of the pandemic and as we know now, a new normal. Our Council Plan outlines the council's role and continued commitment to Relight Our City, working in partnership to keep communities safe and protect our most vulnerable.

We will work with all of our partners to connect people, places and communities to unlock potential and create change. We will do this by using a systematic place-based approach, which will provide opportunities to co-design and co-produce with our communities, developing long-term resilience and capacity to tackle inequalities and reduce deprivation. This signifies how our council will operate moving forward as we develop a new community relationship, helping to eliminate barriers and develop networks between local people and key partner organisations in the city.

Our Council Plan was launched in 2019 and covers a five-year period to 2024. Since it's launch the world we live and work in has changed significantly. This Plan updates the six priority areas identified when the plan was launched acknowledging that the needs and priorities of local people have changed over the last two years.



Our plan is structured around 6 priorities:

- Strong families where children grow up well and achieve their full potential
- Fulfilled lives with quality care for those that need it
- Healthy, inclusive communities
- Good homes in well-connected neighbourhoods
- More local people into good jobs and training
- Thriving economy in all parts of the city

All that we do as an organisation will be to support delivery of these priorities. Whilst they are presented as six separate priorities, they are interlinked and support one another. We can not deliver in isolation and we will continue to work as 'one council' and 'one city'. This Plan is for residents, local businesses, people who work and visit here and all those providing services for the city. We will work alongside our partners to ensure that no community is left behind and that everyone can share and benefit from the opportunities being created in our city.

OUR PRINCIPLES

Our six overarching priorities are supported by three cross cutting principles.



CLIMATE CONSCIOUS

The climate emergency remains one of the biggest long-term challenges facing the world today. Our climate change strategy 'Future Generations' sets a target to make the City of Wolverhampton Council carbon-neutral by 2028. We are committed to delivering on the recommendations of our Climate Citizen Assembly and to upholding the promises we made when the Council declared a climate emergency in July 2019.



DRIVEN BY DIGITAL

The city is at the forefront of digital infrastructure and innovation, Wolverhampton will be one of the first cities in the world to host a 5G accelerator hub making us truly a world leader in emerging technology. Now more than ever digital skills and connectivity are vital to ensure our residents can access services, interact with friends and family, and enter the job market.



FAIR AND EQUAL

We will continue to tackle the inequalities in our communities which impact on the opportunities of local people. The Council's 'Excellent' rated equalities framework is at the heart of this plan. Everybody in our city whatever their background should have a pathway to achieve their potential and succeed. No community will be left behind as we transform our city together.

COUNCIL PLAN

Working together to be a city of opportunity, a city for everyone and deliver our contribution to Vision 2030



We will deliver our vision and key priorities through:

Our City Outcomes

1 Strong families where children grow up well and achieve their full potential.

- Children have the best start in life, with good early development.
- High quality education which closes the attainment gap
- Children and young people grow up happy with good physical, social, mental health and wellbeing
- Every young person in the city is equipped for adulthood with life skills and ready for work.
- Strengthen families where children are vulnerable or at risk.

2 Fulfilled lives with quality care for those that need it

- Support the Health and Social Care system to respond to and recover from COVID-19.
- Maximise independence for people with care and support needs.
- Work as a system to make sure people get the right support at the right time.

3 Healthy, inclusive communities

- Keep residents safe by containing and reducing the spread of Covid-19.
- Close the gap on healthy life expectancy
- Help people live happier more active lives
- Protect vulnerable people at risk of harm and exploitation.
- Inclusive, welcoming communities where people feel safe and look out for each other

4 Good homes in well connected neighbourhoods

- Work together to deliver more new homes
- Safe and healthy homes for all
- Access to a secure home for all
- Clean, green neighbourhoods and community space

5 More local people into good jobs and training

- Help create good quality jobs
- Work in partnership to support local people into work and better jobs
- Flexible skills system which supports local businesses to grow and residents to access good jobs

6 Thriving economy in all parts of the city

- Support local businesses to start up, scale up and thrive
- Attract new investment which brings social and economic benefit to all
- Well-connected businesses and residents
- Vibrant high streets with quality culture and leisure offer
- Grow the low carbon and circular economy

Our Principles



CLIMATE CONSCIOUS



DRIVEN BY DIGITAL



FAIR AND EQUAL

Measuring Success

Our Corporate Performance Framework

STRONG FAMILIES WHERE CHILDREN GROW UP WELL AND ACHIEVE THEIR FULL POTENTIAL

We want all children and young people in our city to grow up happy and healthy and to realise their full potential. Families, wider social networks, communities and schools are important to helping children and young people achieve this, but at different times in their lives they may face challenges and need different types of support. Our aim is to help families early, preventing problems from becoming entrenched and responding to early warning signs so that children and young people have the right support to thrive.

There is strong evidence to show that the first 1,000 days of a child's life have a profound effect on outcomes for that child's entire life. Well supported parents, good health advice and opportunities for high quality early learning provide the foundation all children need to be healthy and to make the most of their abilities and talents as they grow up. This is particularly important for disadvantaged children where support in the early years can have the greatest impact. Working with our city-wide network of partners we will continue to deliver integrated high quality early years support increasing the number of children who are school ready.

Good education is key to delivering on our high ambitions for children and young people in the city. Our vision is to create an inclusive education system which promotes the highest standards for all children and young people, closes the attainment gap and allows every pupil to achieve their full potential. Education standards across the city continue to improve and 87% of schools are judged to be 'good' or better. We will continue to build on this upward trend ensuring that all children whatever their background leave the education system with the skills, confidence, and drive to succeed.

We are already aware that disruption to education during the pandemic risks widening the gap in outcomes, with children and young people from disadvantaged backgrounds more likely to have experienced a greater deterioration in their educational outcomes. Issues such as digital exclusion also disproportionately impacted some individuals, young people and families more than others, affecting their ability to access remote learning and services.

If our city and communities are to thrive our young people must have a clear pathway from education into good quality work. Too many of our young people are finding it difficult to get into and to sustain employment. A challenge made harder by the impact of the Covid-19 pandemic. We will continue to work in an integrated way with education providers, businesses, and families to prepare young people for the world of work. We need to ensure that young people get the highest quality careers advice and guidance throughout their education which is aligned to labour market opportunities and helps them make informed decisions about their next steps. We will support all young people to make successful transitions into adulthood in particular those who are looked after, with special education needs and disabilities or vulnerabilities.

Children and young people's emotional wellbeing, physical and mental health are vitally important and underpin positive outcomes in childhood and success as an adult. Through our #YES Youth Engagement Strategy we will continue to help our young people be healthy, be connected and be heard, valuing their contribution in making Wolverhampton a great place to grow up and learn. The strategy also recognises the need to involve young people in shaping services, with co-production a key element.

We continue to make real progress supporting some of our most vulnerable residents through our Supporting Families programme which over the last year has worked with over 450 families to improve their life chances. Moving forward we will continue to build on this to transform services which support families, investing in early help approaches and intervening early to prevent problems developing or escalating. We want all children and young people to grow up in a safe and secure home, stepping in to safeguard and protect them to improve their long-term outcomes.

Strong families where children achieve their full potential

Outcomes	Objectives
<p>1.1 Children have the best start in life and good early development</p>	<ul style="list-style-type: none"> • Children and young people will be physically and mentally healthy and well. • Work with partner agencies to continue to build up a strong network and information base of positive and healthy activities for all children and young people across the city. • Support children and young people to build healthy relationships, in their network, communities and schools. • Further develop our multi-agency approach to mental health services for children and young people ensuring pathways to support are clear and accessible. • Ensure there are structured ways for young people to engage with statutory services at a strategic and operational level to help shape
<p>1.2 High quality education which closes the attainment gap</p>	<ul style="list-style-type: none"> • Support our education system to recover from the impact of Covid-19 to enable all children and young people in the city to 'catch up' on missed learning. • Every child or young person in the city will have a positive learning experience at school. • Work in partnership with our schools and education settings to build a system with the highest quality education through continuous improvement and support. • Support all schools and education settings to have effective provision for children and young people with special educational needs and disabilities so they can make good progress in their learning and aspire for employment and an independent life. • Work with our partners to reduce the attainment gap of children from black, Asian and minority ethnic (BAME) backgrounds, looked after children or those from deprived households and close the attainment gap. • Education within the city lays the foundation of high aspirations and ambitions for our young people.
<p>1.3 Children and young people grow up happy with good physical, social, mental health and wellbeing.</p>	<ul style="list-style-type: none"> • Children and young people will be physically and mentally healthy and well. • Work with partner agencies to continue to build up a strong network and information base of positive and healthy activities for all children and young people across the city. • Support children and young people to build healthy relationships, in their network, communities and schools. • Further develop our multi-agency approach to mental health services for children and young people ensuring pathways to support are clear and accessible. • Ensure there are structured ways for young people to engage with statutory services at a strategic and operational level to help shape

Strong families where children achieve their full potential

Outcomes	Objectives
<p>1.4 Every young person in the city is equipped for adulthood with life skills and ready for work.</p>	<ul style="list-style-type: none"> • Support all young people to make successful transitions into adulthood in particular those who are looked after, with special education needs, disabled or vulnerable. • Work in an integrated way with education providers, businesses, and families to prepare young people for the world of work. • Build pathways for young people to stay on in full time education, employment or training, including apprenticeships and business start-up. • Have high quality education, employment and training post-16 which meets the needs of all our children and in particular supports those with special educational needs and disability (SEND), those from a black, Asian and minority ethnic (BAME) background, young people who are looked after, and those living with deprivation.
<p>1.5 Strengthen families where children are vulnerable or at risk.</p>	<ul style="list-style-type: none"> • Work with parents and carers to try to remove the barriers which some children face in achieving their full potential, stepping in to safeguard and protect children and young people. • Collaborate with schools, parents and carers and a range of stakeholders to identify early those most at risk of missing education and build the skills to intervene successfully. • Offer tailored specialist support to parents and carers of children with additional needs who may require additional help. • Support parents and carers affected by drug or alcohol misuse, domestic abuse or poor emotional health and wellbeing making sure that their children are safe and cared for. • Support our care leavers into secure accommodation, training or employment as they move into adulthood.

To achieve these outcomes, the new activity we will deliver by 2024 is:

- Ensure that we offer consistently high-quality services to children, young people and families across the city.
- Deliver half-term Yo! Holiday Squad activities and free school meals with £250,000 council funding, building on the huge success of our Yo! Summer Festival.
- Support children and young people's mental health and wellbeing making nearly £1million investment in mental health support services.
- £440,000 in opportunities and services for children with special educational needs.
- Supporting more of our schools to be good and outstanding and helping them deliver covid 'catch up' support
- Deliver on the city's commitment to place co-production key strategies and services with children and families by embedding the co-production charter across the city.
- Launching our new 'Healthier, Happier Active City' plan with £4 million investment in a new 'Kids Get Active' programme and better facilities in our leisure centres and parks.
- Develop and sustain our multi-agency Exploitation and Missing hub and Power 2 team to support vulnerable young people and adults at risk of exploitation.
- Further develop our early help offer for families with children with special educational needs and disabilities.
- Giving every youngster access to the tech and connectivity they need to succeed at school, with £500,000 investment.



FULFILLED LIVES WITH QUALITY CARE FOR THOSE THAT NEED IT

We want all residents of the city to live independent lives for longer and to have a good quality of life. Being in good health for as long as possible impacts on our relationships with family and friends, ability to fully participate in the community, and to contribute to the local economy. Staying in good health into older age is also closely related to how much support and care a person needs and their use of services such as adult social care.

Social care supports adults of all ages including young people moving into adulthood and those of working age with a diverse range of needs, including people with a learning disability or physical disability, people with mental health conditions, people who experience substance misuse, and other people with long-term conditions.

Through Adult Social Care we will continue to maximise people's independence and connect individuals with people and places that will help them to get on with their lives. Where people need formal support, that support will be shaped to focus on what a good life looks like for that individual and their family. This can include support to engage in work, training, education, volunteering, or support to socialise with family and friends and maintain personal relationships.

We will continue to invest in preventative services and new technology which increase quality of life for people with care and support needs. We will intervene early to support families and individuals, helping people retain or regain their skills and confidence to prevent needs from developing. We will continue to provide the right information and advice to support individuals to plan for the future, helping them to remain in their own homes and communities for longer and giving them real choice and control to live healthier, happier more fulfilled lives.

Like many parts of the country the Covid-19 pandemic has placed unprecedented demands on our health and care system. Together, with our partners we have worked tirelessly to make sure that our most vulnerable residents are supported to stay safe within their local communities. There are currently 69 care homes in Wolverhampton that look after some of our most vulnerable residents, around 1,700 residents are looked after in these nursing and residential care homes at any given time. These settings have acutely experienced the effects of Covid-19. Similarly, homecare providers, supported living and extra care providers have faced many challenges in maintaining the high level of care they deliver.

As we move forward to a period of living with Covid-19 we will continue to strengthen the health and care system. We will do this through our Wolverhampton Cares programme, which is our commitment as a Council to work with partners to support the city's care sector, care workers and family carers ensuring equality of access to high quality care for all. We will support our family and young carers by ensuring they are aware of the help and support that is available to them. And we will work to improve access to and the provision of the best possible services by developing a Wolverhampton Cares set of standards.

Working together alongside our partners including the NHS, care providers, voluntary and community groups and the wider sector we will seek to increase capacity across the care sector, encourage recruitment of care workers and help providers keep the fantastic workers they already have. A well skilled and resilient health and care workforce is key to achieving our future vision for care and support in the city.

Fulfilled lives with quality care for those that need it

Outcomes	Objectives	
<p>2.1 Support the Health and Social Care system to respond to and recover from COVID-19.</p>	<ul style="list-style-type: none"> Strengthen the health and care system working with providers and local people to support them to live with Covid-19. Ensure health and care settings have the support they require to provide safe care with robust approaches to vaccination, testing and tracing of Covid-19. 	
<p>2.2 Maximise independence for people with care and support needs.</p>	<ul style="list-style-type: none"> Connect more people to their communities and ensure they have easy access to information and advice when they need it. Support people with care and support needs to live as independently as they can in their own homes, for as long as possible. Supporting more people with care and support needs to have more choice and control and be able to live their idea of a good life. 	
<p>2.3 Work as a system to make sure people get the right support at the right time.</p>	<ul style="list-style-type: none"> We will develop our local integrated care networks to provide responsive and integrated care linking primary care, community health services, mental health and social care. Work across health and care to develop integrated and place-based care to support residents in their neighbourhoods, with a focus on prevention. 	



To achieve these outcomes, the new activity we will deliver by 2024 is:

- Improving services with £2 million investment in early help, local support and to safeguard those at risk of abuse and neglect.
- launching Wolverhampton Cares – our joint plan with the NHS to help elderly residents live safe, independent lives – including investment in digital tools to keep them in their own home where they want to be - and supporting our city's vital care homes.
- Boost support services for all of our city's fantastic carers – the unsung partners, children, relatives and friends who support their loved ones through 'thick and thin
- Launch a 'safety net' support package for families fighting financial hardship to give hard hit households a vital lifeline.
- Continue to embed co-production principles into how we work so people who use adult social care services and their families work alongside us sharing their experience to help shape, design and develop our services.

HEALTHY, INCLUSIVE COMMUNITIES

A good start in life, high-quality education and employment, and a decent home in a thriving community are the strongest factors that influence both how long a person is likely to live and their quality of life. Getting these factors right, coupled with enabling access to high quality health and care services, will have a significant impact on the behaviours, lifestyle choices and health of our residents.

The City of Wolverhampton is similar to most local authorities in that it faces common public health challenges. These include high obesity levels, smoking, alcohol misuse and a high prevalence of long term conditions. There are a number of factors which strongly influence these challenges, making them very complex and difficult to tackle.

Covid-19 has brought these challenges into sharp focus and further exacerbated many of the existing health inequalities facing the city. Alongside the bereaved, there are many people who are suffering from long term physical and mental impacts of Covid-19. There are also many who have been affected financially, which brings its own health consequences.

The virus continues to pose a significant challenge for our city, and we will remain alert and prepared to respond to the ever-changing nature of the Covid-19 landscape. Through our Local Outbreak Control Plan we will continue to work with our partners to prevent and manage outbreaks of the virus. Identifying cases of the virus early on through community testing and increasing vaccine uptake across all of our communities to support efforts to ensure that our local health services do not come under unmanageable pressure.

One of the most stark features of the pandemic so far has been the impact that Covid-19 has had on particular communities and groups, including people from Black, Asian, and Minority Ethnic communities, people living in more deprived areas, elderly residents, those working in higher risk occupations, people living in overcrowded conditions and those with pre-existing health conditions. The impact of Covid-19 has reinforced existing health inequalities and, in some cases, has increased them.

Our Health Inequalities Strategy outlines how we will pro-actively work with partners through our Health and Wellbeing Board to address these inequalities with a renewed sense of urgency and pace. Community empowerment is central to our efforts to reduce health inequalities. We are committed to further embedding an approach 'which builds on local assets and works with local people to 'co-produce' sustainable solutions to local issues, creating capacity and resilience.

Nationally, the pandemic has impacted mental health and physical health. Evidence shows that self-reported mental health and wellbeing worsened during the first national lockdown. Psychological distress, anxiety and depressive symptoms increased; lockdowns, economic insecurity, social distancing, and restrictions on travel resulted in some people reporting higher rates of loneliness and poorer well-being. We will continue to engage with communities to assess the impact of the pandemic on their mental health and wellbeing and roll out new initiatives which support local people to be active and well.

We want all people in our communities to feel safe. Restrictions around Covid-19 have been particularly challenging for the most vulnerable in our communities and those at risk of exploitation and harm. For victims of domestic abuse there have been fewer opportunities to seek help, and they have faced further isolation and reduced contact with those who support them. Strong partnerships and a shared approach to supporting victims and children have been vital in safeguarding the most vulnerable during this difficult time. We will continue to build on these relationships with our public, private, and voluntary and community sector partners to ensure that we protect those who need us most.

Asylum seekers and refugees are some of the most vulnerable in our communities and can have a range of different and complex needs. We are a city of sanctuary in Wolverhampton, and we will continue to play our part and welcome our fair share of the world's most vulnerable people. Through a multi-agency approach we will promote the health economic and social inclusion of new communities in our city through skills, housing, and wellbeing support.

Healthy, inclusive communities

Outcomes	Objectives
<p>3.1 Keep resident's safe by containing and reducing the spread of Covid-19.</p>	<ul style="list-style-type: none"> • Work with partners to prevent and manage Covid-19 outbreaks through community testing and contact tracing. • Work with individuals, settings and communities to enable good habits and approaches to reduce the spread of the virus using our compliance and enforcement powers where appropriate. • Use data in partnership with key stakeholders to help us understand the spread of Covid-19 in our city and direct our efforts to areas where it will have the biggest impact. • Work with partners to increase vaccine uptake, especially amongst our most vulnerable and deprived communities.
<p>3.2 Close the gap on healthy life expectancy</p>	<ul style="list-style-type: none"> • Increase our understanding around health inequalities and our local population – including developing and implementing an approach to data capture, data linkage and data sharing. • Work collaboratively across all parts of the health and care system to join-up and promote and embed action to reduce health inequalities. • Work with partners to enable access to high quality health and care services
<p>3.3 Help people live happier more active lives</p>	<ul style="list-style-type: none"> • Maximise the use of our city's green spaces to get local people active and healthy. • Upgrade our council leisure facilities and offer so that resident have first class facilities. • Engage and educate young people and families to change behaviour, including investing in digital health-check devices for our city's nine and 10-year-olds to encourage more active, healthier lifestyles

Healthy, inclusive communities

Outcomes

Objectives

3.4 Protect vulnerable people at risk of harm and exploitation.

- Safeguard young people on the cusp of, or at risk of, becoming involved in youth violence.
- Increase domestic abuse reporting to tackle offenders.
- Increase reporting of modern slavery to protect victims and disrupt offenders.
- Refresh the current interpersonal violence strategy to ensure a robust city-wide response to interpersonal violence including violence against women and girls and that the voices of victims and survivors of violence and abuse are central in determining priorities.

3.5 Inclusive, welcoming communities where people feel safe and look out for each other.

- Growing voluntary and community sector which supports local people to thrive in their communities.
- Develop multi-agency approaches to tackle and reduce Hate Crime based on a zero-tolerance approach: crime targeted at people because of their race, religion, disability, sexual orientation or transgender identity.
- Refresh the current interpersonal violence strategy to ensure a robust city-wide response to interpersonal violence including violence against women and girls and that the voices of victims and survivors of violence and abuse are central in determining priorities.
- New communities in the city are welcomed and supported to settle into their local areas.
- Raise community confidence and reduce the fear of crime using our relationships with partners and communities as well as our physical assets including the built environment.

To achieve these outcomes, the new activity we will deliver by 2024 is:

- Help our city live with Covid-19 by working with partners to prevent and manage outbreaks , increase testing and vaccinations and continue the delivery of an effective and agile Local Outbreak Control Plan to keep people safe from harm and help the city recover.
- Continue to collaborate with Environmental Health and partners across the city, including local business and the voluntary and community sector, to support them to operate safely and deliver services.
- Launch our new 'Healthier, Happier Active City' plan with £4 million investment and a new 'Kids Get Active' programme and better facilities in our leisure centres and parks.
- Take action to improve mental health and wellbeing in the city including supporting working age adults and isolated older people with £500k targeted investment.
- Coordinate and commission targeted, multi-agency interventions to safeguard those on the cusp of, or at risk of, becoming involved in exploitation and youth violence, and victims of domestic abuse and modern slavery
- Refresh the current interpersonal violence strategy to ensure a robust city-wide response to interpersonal violence including violence against women and girls and that the voices of victims and survivors of violence and abuse are central in determining priorities
- Deliver targeted, partnership interventions to tackle the harm caused in our families through alcohol and drug abuse.
- Fund your local GP to carry out a healthy heart check for all residents aged 40 and over to help identify health risks such as high blood pressure and cholesterol levels and also provide advice to keep residents healthy.
- Work with partners to deliver targeted, multi-agency interventions in our most deprived neighbourhoods and streets to transform the livelihoods of local families and individuals in the places they live.
- Refresh the city's joint strategic needs assessment, building on the success of partnership working during the pandemic, to focus on joint priorities which tackle health inequalities and improve outcomes for our city's residents.



GOOD HOMES IN WELL-CONNECTED NEIGHBOURHOODS

The home in which a family lives is one of the most important factors in determining their wellbeing and prosperity. We are committed to ensuring that every resident has a safe, stable and affordable home so they can achieve their full potential and build communities where everyone can thrive.

Key to achieving this ambition is to ensure that we have enough homes to meet local need and to attract new people to live and work in the city. Our Housing Strategy 2019 – 2024 sets out how we will work with partners to increase housing development, improve quality, choice and affordability of homes on offer so that our housing market meets the aspirations of existing and future residents.

The city has been named one of the top UK city's to raise a family and there are over 600 new homes were built last year in the city. We're delivering our ambitious plans to revitalise our city centre with a new high quality living offer at key sites including The Royal, Brewers Yard and Canalside South which will increase footfall, diversify our city centre offer and support local businesses to grow. Through our council owned housing company WV Living we will support the development of new homes. We will continue to ensure that new housing developments have the right housing to support older, disabled and vulnerable residents.

We're continuing to drive up the quality of existing housing in the city, so all residents have a safe and healthy home. Working with private landlords and tenants to improve the standards of housing and security of tenure in the private rented sector. Our Rent with Confidence scheme is continuing to improve greater customer choice and raise the bar for the quality of private sector rented housing in the city. We're pushing forward with ambitious plans to transform our housing estates with new homes, refurbished housing, and improved leisure space.

Focusing on just the number of new houses is not enough. That is why we will continue to raise the quality of life for all our residents by ensuring neighbourhoods in the city are places of opportunity with good quality education, excellent transport links and local health services close by. Good local amenities and services are a key component to growing resilient, inclusive communities, helping to reduce isolation, and building connections that enable residents to support each other.

We will continue to protect and invest in our parks and green open space. The benefits of spending time outside are widely recognised, with access to green spaces, including trees and woodland, proven to improve both our physical and mental wellbeing. Access to green spaces can encourage physical activity and help reduce obesity, relieve stress, encourage social interaction and improve quality of life.

Increasing the energy efficiency of homes is now more important than ever to reduce carbon emissions, tackle fuel poverty and ultimately deliver on our ambition to make the city carbon neutral. 35% of all carbon emissions in the city come from housing. That is why we are working with city partners to invest in retrofit programmes, and to build new homes up to the maximum possible energy efficiency standards, including Passivehouse wherever possible.

We are committed to ending rough sleeping in the city and through our Homelessness Prevention Strategy we will tackle the underlying causes which can lead people to become homeless, including mental health, family breakdown, substance misuse and poverty. Working with our public, private and voluntary, community and social enterprise (VCSE) partners to offer early assistance and timely advice to help people secure suitable accommodation and support services which enable them to live independently and to stay in their own homes. This will include continuing our successful work through the Housing First programme which has supported 48 people into secure tenancies since its launch.

Good homes in well-connected neighbourhoods

Outcomes	Objectives
<p>4.1 Work together to deliver more new homes.</p>	<ul style="list-style-type: none"> • Work in partnership with Government, the West Midlands Combined Authority, housing associations and developers to secure the new homes the city needs. • Continue to progress the review of the Local Plan to make sure we have the right site opportunities available to help meet our long-term housing needs. • Provide high quality planning service which supports high quality new developments and monitors housing supply. • Use our own land and assets to facilitate and support the development of new homes and neighbourhoods. • Ensure that the city has supported housing which meets the needs of older, disabled, and vulnerable people. • Ensure that new developments have the right mix of tenures and affordable homes so that all residents have the opportunity to access good quality housing.
<p>4.2 Safe and healthy homes for all</p>	<ul style="list-style-type: none"> • Continue to use our enforcement powers and landlord licensing to ensure local people have access to good quality private rented housing. • Use the full range of legal actions available including compulsory purchase orders to ensure empty properties are brought back into use for rent or sale, to be lived in as homes. • Work with our partners to increase the energy efficiency of homes in the city to reduce carbon emissions and fuel poverty. • Work with our network of housing providers in the city to ensure we have a robust, consistent approach to housing standards. • Work with the police and other partners to ensure neighbourhoods are safe and free from anti-social behaviour.

Good homes in well-connected neighbourhoods

Outcomes	Objectives
<p>4.3 Access to a secure home</p>	<ul style="list-style-type: none"> • Prevent homelessness wherever possible intervening early to provide high quality support services to keep people in their own homes. • Work in partnership with other services to find long-term, affordable housing solutions for people threatened with homelessness. • Work with city partners in the public and voluntary sectors to offer targeted and flexible support to help people of the street and reduce rough sleeping. • Increase the number of employment opportunities for vulnerable residents, including those who are homeless or at risk of homelessness.
<p>4.4 Clean, green neighbourhoods and public space</p>	<ul style="list-style-type: none"> • All residents have access to clean open space and parks in their neighbourhoods and local areas. • Protect and enhance our environment, improve air quality and support resident's health and wellbeing by delivering an ambitious tree planting programme. • Minimise the amount of waste generated by our residents and businesses and increase levels of recycling. • Provide safe and accessible roads, pavements and other public spaces for everyone, especially vulnerable users. • Maintain cleanliness across all of our neighbourhoods and take a robust pro-active approach to fly tipping. • Provide an attractive and well-maintained public realm across our city and town centres.

To achieve these outcomes, the new activity we will deliver by 2024 is:

- Deliver 1,000 new low carbon homes, £200 million to the local economy and 3,000 local jobs at our Canalside South development – one of the largest city centre residential developments in the West Midlands.
- Use our council-owned housing company, WV Living, to build 250 new homes in 2021/2022.
- Through our Council-owned housing company, WV Living, require that any external contract appointments evidence a commitment to the training and employment of local people.
- Deliver up to 200 new homes and 40 new Council homes as we transform the Heath Town estate driving up the number of decent and affordable homes in our city.
- Establish a Wolverhampton Social Housing Provider Forum to bring local housing providers and other agencies together to share innovation and inform good practice.
- Help rough sleepers rebuild their lives and sending out a clear message that no-one needs to sleep out on our streets with £2 million investment in a new, city centre hub and multi-agency support team.
- Continue to deliver our Housing First programme to support people with a history of entrenched rough sleeping to access secure homes with intensive wrap-around support, so they can start to rebuild their lives.
- Work in partnership to deliver the New Green Homes Grant scheme which will enable city homeowners on low incomes, who may be struggling to pay their heating bills, to make energy efficient improvements to their homes that will help to keep them warmer and reduce energy use.
- Tackle climate change and make our city greener and healthier by planting 20,000 new trees over the next two years including building on the Tiny Forests in Bilston and Merridale.
- Switch all 30,000 street-lights across our city to energy-efficient LED lighting with smart sensors by the end 2022 - saving around 4,000 tonnes of carbon a year.
- End fly tipping in our city through a £450,000 investment keeping our neighbourhoods clean and green.
- Work to resettle and integrate over 200 refugees in the city utilising affordable and sustainable privately rented accommodation.

MORE LOCAL PEOPLE INTO GOOD JOBS AND TRAINING

All residents in the city need an income which can support them and their family. We want all local people to have the right support and opportunities to get a stable job with decent pay so that they can build a future and help us grow our city together.

Wolverhampton is home to thousands of businesses which offer fantastic employment opportunities. We know that some of our residents find it harder than others to access good quality work and face a range of barriers to employment from poor health, lack of skills or caring responsibilities.

These challenges have been made more difficult by the Covid-19 pandemic and our young people in particular have seen their employment prospects disproportionately impacted. Working with our partners we will deliver a package of targeted interventions to get people back to work. We will do this through initiatives like our Wolves at Work 18 – 24 programme which aims to get young people into sustainable employment, apprenticeships, education or training.

Locally and nationally our economy is changing, and the skills local people will need to be successful in the workplace is changing with it. Covid-19 has accelerated the adoption of digital technologies and having good digital skills is now more important than ever, the climate change challenge is leading to increasing demand for skills to support the low carbon economy whilst our aging population means our reliance on our critical health and social care workforce will continue to rise. We must ensure we have a flexible, adaptable and resilient skills system which is able to respond to these emerging opportunity areas. We will do this by joining up activity within schools, further education and training providers to ensure that there is a seamless, whole-system approach to education, work and skills.

An individual's skills are the single most important factor in determining their employment status and whether they have a good job. There has been a significant improvement in workforce skills in the city over the last five years, the number of people with no qualifications has fallen by 35% whilst those with a degree level qualification has risen by 32%.

Higher skills will not be enough to get more people into good jobs if local businesses are unable to utilise those skills. That is why we will work with our partners to align the city's education and skills system with our business support offer. This will ensure that residents have the skills local employers need now and in the future.

We will continue to futureproof our skills system and ensure that local people have access to first class learning facilities in the city. The University of Wolverhampton's £100m built environment super campus at Springfield will provide the skills for tomorrow's workforce. Our ambitious City Learning Quarter project will establish a state of the art skills and learning hub in our city centre.

We are committed to creating even more quality job opportunities in the city and will work with our businesses to enhance apprenticeship and training opportunities for local people. We will also work more closely with local big employers and anchor institutions to deliver local economic benefit. This will include employing more local unemployed residents, increasing the amount we spend in our supply chains with small and medium sized enterprise (SMEs) and social enterprises, and offering volunteering, mentoring and work experience opportunities.

More local people into good jobs and training

Outcomes	Objectives
<p>5.1 Help create good quality local jobs</p>	<ul style="list-style-type: none"> • Ensure investment in the city increases the number of quality jobs for local people. • Incorporate and monitor social value/local employment clauses through the council's supply chain. • Leverage agreements with investors and partners to maximise benefits for local people, including by securing the delivery of S106 skills and training opportunities. • Through our business support offer grow those sectors of the economy which offer the best employment opportunities for our residents. • Work with our public sector partners and the Wolverhampton Anchor Network to set a high standard for employment across the city.
<p>5.2 Work in partnership to support local people into work and better jobs</p>	<ul style="list-style-type: none"> • Continue to work with partners to ensure that employment support in the city is joined up and new national programmes complement existing local activity. • Establish clear pathways and entry routes for unemployed adults, particularly those from underrepresented groups to access employment in growth sectors or where there are skills shortages. • Build on the city centre youth hub at The Way, using our community hubs to deliver co-located employment and skills support to young people in their local areas. • Grow and diversify our adult and community education offer to support local people to develop digital and other skills to increase their employability and wellbeing. • Provide wrap around support and a dedicated work coach for local people looking for work or to retrain through our Wolves at Work programme. • Provide a one stop shop for employment and skills support in the city through our Wolves Workbox digital platform making easier for local people to find advice and support. • Work with employers and other city partners to champion inclusive employment practices to ensure there is a pathway to success for all residents in our city.
<p>5.3 Flexible skills system which supports local businesses to grow and residents to access good jobs</p>	<ul style="list-style-type: none"> • Work with partners to maximise the number of apprenticeship and training opportunities for young people and adults in the city. • Work with our partners including businesses, job centres, training providers, colleges and the University to develop flexible pathways for local people who are in work to retrain and progress. • Support local businesses with workforce recruitment and planning particularly in those sectors which face recruitment and retention challenges. • Align our education and skills system with our business support offer to ensure local people have the skills employers needs now and in the future. • Ensure we have a range of higher-level skills and training support available in the city aligned to growth sectors to support productivity and higher wage jobs.



To achieve these outcomes, the new activity we will deliver by 2024 is:

- Invest £3 million to tackle youth unemployment in our city with new job, training and apprenticeship opportunities through our Wolves at Work 18-24 programme.
- Launch a Youth Employment Taskforce bringing together key city partners to deliver a 'one city' approach to increasing employment opportunities for young people.
- Futureproof our skills system through the City Learning Quarter, a partnership between the City of Wolverhampton Council and Wolverhampton College which will establish a skills and learning hub, safeguarding hundreds of jobs and increasing footfall in the city centre as the scheme will see thousands of students located at the new city centre campus.
- Scale up Wolves Online device and connectivity lending scheme to reach more residents taking into account individualised needs in relation to the type of devices and connectivity options.
- Launch a new digital infrastructure academy to connect local people to booming digital and telecoms job opportunities.
- Continue to deliver jobs and opportunities for young people through our Black Country Impact youth employment initiative. Over the last 4.5 years, more than 1,600 18-29yr-olds who needed our help most have received offers of jobs or education.
- Through our Wolverhampton Anchor Network, we will develop skills plans for the health and wellbeing, cultural and creative and green sectors in the city so we can align training and education opportunities to the industries of the future.
- Scale up our Connexions programme in the city so that young people get the very best careers advice and support.

THRIVING ECONOMY IN ALL PARTS OF THE CITY

The city is enjoying record levels of public and private investment with £4.4bn being injected into citywide regeneration projects. Our aim is to ensure that all residents and businesses can benefit from this investment and the new opportunities it will bring to the city. We will deliver this aim through inclusive growth, increasing access to good quality jobs, raising skill levels and improving health and wellbeing outcomes for all in our city.

Our economy is doing well with established clusters in advanced manufacturing, aerospace, and many sector leading firms calling the city home. We have growing sectors in professional services, creative and digital as well as green technologies and construction which have the potential to create new local jobs with higher wages. We will continue to support the growth of emerging and existing sectors in our city through new targeted support programmes. Helping local businesses to adapt and thrive in a changing economy which is seeing rapid shifts towards new digital technologies and a low carbon economy.

We have a strong foundation as we look towards recovery. Supporting the long-term resilience of the city's economy is a priority. There are several sectors in the city which have been hit hard by the Covid-19 pandemic such as retail and hospitality. Through our ongoing grants, rate relief and other support for business we will give the city's economy and labour market the best chance of effectively bouncing back, protecting jobs and livelihoods.

We will build on the city's long history of innovation and entrepreneurship to support residents who want to become entrepreneurs to start their own businesses. Supporting the growth of new enterprise in all parts of our city to drive inclusivity and equality across the business base, ensuring ethnicity, gender and socio-economic background are not barriers to starting and growing a business.

Through the Wolverhampton Anchor Network, we will work with our public sector partners and large employers in the city to use our collective spending power to support the local economy, spread opportunity and build resilience. This includes our commitment to the Wolverhampton Pound which places a greater emphasis on procuring goods and services locally increasing the amount we spend through our supply chains with SMEs and social enterprise. Every public pound spent will provide maximum benefit to local people and businesses.

Sourcing more goods and services locally is also critical to realising our ambitious plans to tackle climate change. Our commitment to sustainable transport and a circular economy reflects the Council's 2019 declaration of a climate emergency and our ambition to work towards being net carbon zero by 2030.

The £150 million investment in our Interchange programme, incorporating a new bus, tram and rail hub, provides a fantastic gateway into the heart of the city and will improve access for residents and businesses via sustainable modes of travel. We will also use the rollout of 5G and improvements to our fibre network to improve digital connectivity for local people and businesses. Our connected places strategy will deliver smart technology into our city to improve connectivity and accessibility for all, supporting electric vehicle growth, improved digital infrastructure and promote more sustainable transport options, through our active travel strategy.

Thriving high streets and town centres are crucial to the future of our local businesses and communities. Covid-19 has accelerated many trends already present before the pandemic in the way we choose to live, work, travel and spend our leisure time. Now more than ever, it is vital that we continue to deliver our ambitious plans to reimagine and transform our city and town centres, encouraging more mixed-use spaces and driving forward our bold 'Event City' plans.

Thriving economy in all parts of the city

Outcomes	Objectives	
<p>6.1 Support local businesses to start up, scale up and thrive</p>	<ul style="list-style-type: none"> • Grow emerging sectors in the city to strengthen supply chains and create new skilled jobs locally, including those in the green economy, creative and digital and professional services. • Support those businesses hardest hit by the pandemic in our hospitality, retail and leisure sector to adapt to a changing economy. • Increase the numbers of entrepreneurs who develop new start-ups in the city and who choose Wolverhampton as a place to grow their businesses. 	<ul style="list-style-type: none"> • Drive inclusivity and equality across the business base in the city, ensuring ethnicity, gender and socio-economic background are not barriers to starting and growing a business. • We will simplify access to business support services in the city and wider region through partnership working and digital technology making it easier to do business in Wolverhampton. • Use data and insight to identify trends, understand needs, targeting our resources and interventions in an evidence-based way.
<p>6.2 Attract new investment which brings social and economic benefit to all</p>	<ul style="list-style-type: none"> • Champion the city's offer continuing to raise the profile of the city nationally and internationally as a great place to invest and do businesses. • Ensure public and private investment opportunities create good work opportunities for local people and support our businesses to grow. • Work proactively to attract new businesses to the city to diversify our business base and increase the resilience of our local economy. 	<ul style="list-style-type: none"> • Develop and deliver sector specific action plans to support growth of key sectors in the city. • Building an even closer relationship with investors and strategic employers through effective account management to better understand their needs and how they can contribute to growth in our city. • Support the delivery of a range of workspaces to meet the needs of a growing economy, attracting new businesses and allowing existing businesses to grow and diversify.
<p>6.3 Well-connected businesses and residents</p>	<ul style="list-style-type: none"> • Continue to roll out digital infrastructure and data 'Smart City' technology to drive innovation and futureproof our city. • Work with partners to deliver major infrastructure projects to improve transport links in the city. • Invest in sustainable transport infrastructure such as electric vehicle charging points which reduce carbon emissions. 	<ul style="list-style-type: none"> • Improve walking, cycling and bus networks, as well as public transport interchanges, enabling people to move easily around the city to encourage residents to make travel choices which minimise air pollution. • Coordinate and manage all street works, liaising with utility companies to minimise disruption and congestion on the road network.

Thriving economy in all parts of the city

Outcomes	Objectives
<p>6.4 Vibrant high streets with quality culture and leisure offer</p>	<ul style="list-style-type: none"> Secure and deliver investment in our high streets and town centres to help them thrive, including public realm, events, meanwhile uses, arts and culture. Support and deliver a range of events in the city, from sport at the Molineux, music festivals in our parks, through to activities in our libraries and culture in venues across the city. (Civic Halls and Bilston Town Hall) Safeguard and strengthen the city's cultural heritage by investing in, and encouraging access to our heritage assets, museums, and libraries. Promote creative and cultural activity and infrastructure that enables people to gain skills and employment in creative industries and increases investment into the city.
<p>6.5 Grow the low carbon and circular economy</p>	<ul style="list-style-type: none"> Encourage the development of a more circular economy with better design, maintenance, repair, reuse and recycling of goods. Work with the public and private sectors to transform how resources are procured, used, consumed and disposed of. Embed Low carbon practices within procurement and other services through increased knowledge and training as part of both publicly funded business support activity and private sector led activity.

To achieve these outcomes, the new activity we will deliver by 2024 is:

- Be the best place in the region to start and grow a business bolstered by a new, first-class business support service with £2 million investment – shaped by city businesses.
- Deliver IGNITE our new city centre business hub offering advice and incubation support for existing and emerging businesses in the city.
- Leverage the Wolverhampton Pound’s spending power so millions more are spent in our city to create job and business opportunities.
- Speed up the roll out of ultra-fast broadband and 5G to every home and business in our city and developing the region’s first super-smart networked council tower block to help hundreds of resident’s access health and wellbeing support and jobs.
- Bring in hundreds of thousands of visitors a year and millions to the local economy with a new five-year ‘Event City’ plan, reopening our new £43 million Civic Halls and multi-million-pound investment in new public spaces.
- Investing £1.2 million in our fantastic Art Gallery to improve the experience for visitors with a new café and better accessibility – just in time for the British Art Show in 2022 which is set to bring 80,000 people into the city centre.
- Develop new employment land at Bilston Urban Village to create up to 300 new jobs on the back of £20 million investment with strong market interest from occupiers.
- Deliver thousands of new, local jobs by expanding i54, growing our commercial district, building 10,000 new homes and developing new employment land covering the same area as 77 football pitches.
- Improve the city’s transport infrastructure with investment in new, major schemes such as the City East Gateway, investment in upgrading existing infrastructure and investment in digital and new technology.

Our Council Programme

To deliver our ambitions for the city and the priorities set out in this plan, the council needs to ensure it has the right people, technology, assets and resources. The Our Council Programme sets out six workstreams to achieve this;

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Our Assets

Sustainable assets which support our workforce, partners and communities.



Our Data

Evidence led decision making and analytics with robust performance framework.



Our Digital

Maximise how we use digital and other technologies to deliver better services and outcomes.



Our Money

Financially sustainable making the best use of our resources ensuring timely, transparent and accountable local decision making and governance.



Our People

Retain and attract the best talent, support all of our workforce to develop in an inclusive organisation

We will deliver this plan in line with our **PRIDE values**. These values define what is important to us and how we will work to deliver the city's priorities. We will:

P

Put people first

R

Raise the
city's profile and
reputation

I

Inspire trust
and confidence

D

Deliver together

E

Empower people
to innovate

OUR PARTNERS



Partnership working is a key theme running through the plan, highlighting the importance of working across sectors and service areas. It builds on achievements to date, but with renewed focus and actions to tackle crosscutting issues such as homelessness, health inequalities, youth skills and employment.

Working across partners in health and care, criminal justice system, voluntary and community sector, education, business and others we will continue to take a whole system approach to driving change and delivering improved outcomes for local people. To realise our vision, we must continue to work closely with partners, we will continue to build on the strong partnerships with all stakeholders locally, nationally and globally to provide a strong and influential voice for the city's residents and businesses.

Our ask of city partners;

1. To work with the Council to design and deliver innovative solutions to improve outcomes for local people.
2. To help us hear as widely as possible the views of communities and businesses by using your own networks to engage.
3. To provide robust data and evidence that you have for your area that could help ensure we are reaching those most in need.
4. To look at how you can support your communities and ensure nobody in our city is left behind.

RELIGHTING OUR CITY

The Relighting Our City framework was launched in September 2020 to guide the Council as it moved from the response to the recovery phase of the pandemic. The Our Council Plan takes forward this recovery framework acknowledging that we are now operating in a 'new normal'.

**Support
people who
need us most**

**Create more
opportunities
for young people**

**Generate more
jobs and learning
opportunities**

**Grow our
vital local
businesses**

**Stimulate vibrant
high streets and
communities**

COUNCIL PLAN

Wulfrunians live longer, healthier and more fulfilling lives

VISION 2030

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OUR PRINCIPLES

We will underpin our work with the following key principles;



CLIMATE FOCUSED

This recovery commitment is aligned to our climate change strategy 'Future Generations' and our target to make the City of Wolverhampton Council carbon – neutral by 2028. We are committed to delivering on the recommendations of our Climate Citizen Assembly and to upholding the promises we made when the Council declared a climate emergency in July 2019.



DRIVEN BY DIGITAL

The city is at the forefront of digital infrastructure and innovation, Wolverhampton will be one of the first cities in the world to host a 5G accelerator hub making us truly a world leader in emerging technology. Now more than ever digital skills and connectivity are vital to ensure our residents can access services, interact with friends and family, and enter the job market.



FAIR AND INCLUSIVE

We will continue to tackle the inequalities in our communities which impact on the opportunities of local people. The Council's 'Excellent' rated equalities framework is at the heart of our recovery commitment. No community will be left behind as we transform our city together.

MONITORING AND EVALUATION



The Our Council Plan will be launched as a ‘living’ document and we will regularly review and refresh the plan to ensure that it continues to reflect the priorities of local people and capture the fast-changing nature of the pandemic and impact it is having on the city’s residents.



We will do this through a ‘Continuous Conversation’ with communities with opportunities for local people to shape our approach to delivering the plan and it’s priorities.

We will use this plan to align service area plans and operational activity with the strategic objectives in our priority areas. It will support decision making and determine how we use the resource we have to deliver the best outcomes, in the most effective and efficient way. We will monitor and closely manage our performance against this plan, use it to drive delivery of our objectives.

Supporting the plan is our corporate performance framework. A set of key indicators aligned to our priority areas informed by national and local data sets. This framework will be reported alongside an update on deliver of this plan to Cabinet on a quarterly basis.



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City of Wolverhampton Council, Civic Centre, St. Peter's Square,
Wolverhampton WV1 1SH

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 20 October 2021
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Report title	Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye Tel Email	Director of Finance 01902 550478 Claire.nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	8 October 2021

Recommendations for decision:

The Cabinet is recommended to approve:

1. The updated draft budget strategy for 2022-2023 to 2023-2024.
2. That work continues to further develop proposals and further review the assumptions in the Medium Term Financial Strategy (MTFS), in order to ensure that a balanced budget can be set for 2022-2023 and future years.

Recommendations for noting:

The Cabinet is asked to note:

1. The Draft Budget and Medium Term Financial strategy remains aligned to the Council's priorities. The Wolves at Work 18-24 –Youth Employment report on this same agenda demonstrates the alignment of budgets to priorities and seeks approval to lead on developing and resourcing a comprehensive programme of targeted intervention to support young people currently claiming benefits and aged between 18-24, into sustainable employment, apprenticeships, education and training.

2. That the Council needs the Government to provide confirmation on future years funding as soon as possible, in order to ensure that the Council has a clear direction of funding available over the medium term.
3. That, despite austerity since 2010, the Council has a strong track record of managing money well, planning ahead and delivering excellent services. The financial implications of the pandemic have significantly distorted the Draft Budget and Medium Term Financial Strategy.
4. That, a number of assumptions have been made with regards to the level of resources that will be made available to the Council as detailed in this report. It is important to note that there continues to be considerable amount of uncertainty with regards to future income streams for local authorities over the forthcoming Spending Review period. At the point that further information is known it will be incorporated into future reports to Councillors. Any reduction in Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term.
5. That, due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council.
6. That the overall risk associated with the 2022-2023 draft budget and medium term strategy is assessed as Red.

1.0 Purpose

- 1.1 The purpose of this report is to provide Councillors with an update to the Draft Budget and Medium Term Financial Strategy (MTFS) 2022-2023 to 2023-2024; and agree the next steps that will be taken in order to address the financial pressures faced by the Council over the medium term.
- 1.2 This is the second report of the financial year on the Draft Budget and Medium Term Financial Strategy (MTFS) for the period of 2022-2023 to 2023-2024.

2.0 Background

- 2.1 The City of Wolverhampton Council has built up a strong track record over many years of managing its finances well and, despite austerity; consistently setting a balanced budget. Over the last ten years the Council has identified budget reductions in excess of £235 million. 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. The Wolves at Work 18-24 – Youth Employment report on this same agenda demonstrates the Council's commitment in aligning our budget to priorities and seeks approval to lead on developing and resourcing a comprehensive programme of targeted intervention to support young people currently claiming benefits and aged between 18-24, into sustainable employment, apprenticeships, education and training.
- 2.2 The 2021-2022 Budget and Medium Term Financial Strategy (MTFS) 2021-2022 to 2023-2024 was presented to Full Council for approval on 3 March 2021. Despite the impact of Covid-19, the Council was able to set a balanced budget without the need to make use of general reserves or the need to undertake fundamental service reviews in 2021-2022. However, it was projected that after taking into account the impact of the pandemic, the Council would be faced with finding further estimated budget reductions totalling £25.4 million in 2022-2023, rising to £29.6 million by 2023-2024.
- 2.3 The updated projected budget deficit assumes the achievement of budget reduction and income generation proposals amounting to £4.3 million over the three year period from 2021-2022 to 2023-2024.
- 2.4 The Covid-19 pandemic has significantly distorted the budget and MTFS. Due to this distortion, it is difficult to confirm the exact costs directly associated with the pandemic. It is important to note that the cost of dealing with the pandemic extend beyond the immediate period. It is not yet known how long the pandemic will go on for or what the level of future support will be required.
- 2.5 In addition, at the time of writing this report, there continues to be considerable uncertainty with regards to future funding streams for local authorities over the forthcoming multi-year Spending Review period. On 7 September 2021, Government announced that a three-year spending review will be held on 27 October 2021. Once further information is made available, updates will be provided to Councillors. Any

reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term.

- 2.6 On 28 July 2021 Cabinet approved the draft budget strategy 2022-2023. This report provides an update on the progress towards the budget strategy 2022-2023 and 2023-2024.
- 2.7 The Council is on track to set a balanced budget for 2022-2023, however, these proposals are mainly one-off and not sustainable over the medium term. Work has started to address the forecast budget deficit over the medium term as outlined in section 6 of this report. These proposals will continue to be developed and assumptions tested in order to provide a sustainable medium term strategy.

3.0 Relighting Our City

- 3.1 Alongside managing the emergency response to the pandemic, the Council has also undertaken extensive planning for recovery, which was approved by Cabinet in September 2020. Relighting Our City sets out the priorities which will guide the Council's approach as the organisation and the city starts to transition from the response to the recovery phase of the pandemic. These priorities together with the associated key actions and activity form a framework for recovery.
- 3.2 Within the Relighting Our City recovery commitment plan there are five overarching priorities for recovery, supporting the delivery of our Council Plan vision for Wulfrunians to live longer, healthier, and more fulfilling lives:
- Support people who need us most
 - Create more opportunities for young people
 - Support our vital local businesses
 - Generate more jobs and learning opportunities
 - Stimulate vibrant high streets and communities
- 3.3 On 17 March 2021, Cabinet received an update on the Relighting Our City recovery plan, outlining what the Council, working alongside its partners, has done against the priorities since the inception of the recovery commitment in September 2020. As well as reflecting on what had been achieved so far, the refreshed plan also provides an overview of future planned activity to support our commitment and the local economy to recover from the impact of the pandemic.
- 3.4 A new performance framework was created to monitor performance against these priorities and includes two different type of indicators; city indicators and impact indicators. In July 2021, Cabinet received an update on performance against the city indicators, relevant financial information and key areas of activity. On 17 November 2021, Cabinet will be presented with the second Performance and Budget Monitoring report of the 2021-2022 financial year.

- 3.5 It is vital that the city has the resources to be able to focus on recovery which will enable the city to address key challenges and assist the government to deliver its 'levelling up' agenda and capitalise on new opportunities as the city transitions out of the response phase of the pandemic

4.0 Five Year Financial Strategy

- 4.1 The Council's strategic approach to address the budget deficit is to align resources to Our Council Plan 2019-2024 which was approved by Full Council on 3 April 2019. In the coming months we will be engaging with city partners and communities to refresh our Council Plan 2019-2024 to ensure it continues to reflect the needs and priorities of local people.
- 4.2 Our Council Plan 2019-2024 sets out how we will deliver our contribution to Vision 2030 and how we will work with our partners and communities to be a city of opportunity. The plan includes six strategic priorities which come together to deliver the overall Council Plan outcome of 'Wulfrunians will live longer, healthier and more fulfilling lives.' Resources will continue to be aligned to enable the realisation of the Council's priorities of achieving:
- Children and young people get the best possible start in life
 - Well skilled people working in an inclusive economy
 - More good jobs and investment in our city
 - Better homes for all
 - Strong, resilient and healthy communities
 - A vibrant, green city we can be proud of
- 4.3 Covid-19 has had a significant international, national and regional impact and will continue to do so over the short and medium term. The pandemic has made the challenges faced in our local economy much harder. As detailed in section 3, the Council has developed its five-point recovery plan, 'Relighting Our City' which sets out the priorities which will guide the Council's approach as the organisation and the City starts to transition from the response to the recovery phase of the pandemic.
- 4.4 The Financial Strategy, approved by Council in March 2019, consists of five core principles underpinned by eight core workstreams. Using the Core Workstreams as the framework for the Financial Strategy detailed delivery plans are being developed all with a lead director. The Core principles and workstreams are:
- **Core Principles:**
 - **Focusing on Core Business.** Focus will be given to those activities that deliver the outcomes local people need and which align to our Council Plan and Financial Strategy.
 - **Promoting Independence and Wellbeing.** We will enable local people to live independently by unlocking capacity within communities to provide an effective and supportive environment.

- **Delivering Inclusive Economic Growth.** We will continue to drive investment in the City to create future economic and employment opportunities.
- **Balancing Risk.** We will ensure we base decisions on evidence, data and customer insight.
- **Commercialising our Approach.** We will boost social value in our City by maximising local procurement spend with people and businesses

- **Core Workstreams:**

- **Promoting Digital Innovation.** Improve access to digital services to empower local people to self-serve at a time and place that suits them whilst reducing 'traditional' operating costs.
- **Reducing demand.** Through early intervention and closer collaboration with local people we aim to reduce demand for services and support greater independence and resilience.
- **Targeted Service Delivery.** Our efforts will be focused in the areas and places that need us the most and where we can deliver the best possible outcomes within the resources available.
- **Sustainable Business Models.** We will develop the most efficient and effective services possible, within the significant financial constraints we face, to meet the needs of local people.
- **Prioritising Capital Investment.** Aligned to our strategic plan, investment will focus on the priorities that deliver the best possible return and outcomes for local people.
- **Generating Income.** Better understanding the markets we operate in will enable us to develop new, innovative income generation opportunities with partners where appropriate.
- **Delivering Efficiencies.** By reviewing our resources, business processes and better using technology, we will deliver services which meet customer needs efficiently and cost-effectively.
- **Maximising Partnerships and External Income.** We will take a much more strategic role, working with our partners, to identify opportunities to collaborate, share resources, reduce costs and seize funding opportunities.

5.0 Updated financial position - 2022-2023 Budget Strategy

- 5.1 On 28 July 2021, Cabinet approved the draft budget strategy for 2022-2023. It was reported that whilst the Council continues to operate with the uncertainty of Covid-19 and the current budget distortion, work has been undertaken to map out a draft budget strategy that will enable the Council to set a balanced budget for 2022-2023.
- 5.2 The assumptions used in the preparation of the Budget and MTFS remain under constant review and update. The following paragraphs provide an overview of the changes to corporate resource assumptions, growth and inflation, budget reduction targets and one-off opportunities. The Council is on track to set a balanced budget for 2022-2023, however, a number of the proposals for 2022-2023 are one-off and not sustainable over the medium term. Work has started to address the medium term gap as outlined in section 6.

Corporate Resources

- 5.3 On 7 September 2021, Government announced proposals to levy additional funding from an increase in national insurance to fund cost pressures within health and social care. It is anticipated that additional funding of around £12 billion per year nationally will be raised through a 1.25% levy, based on national insurance contributions. Of this £5.4 billion will be used to fund social care between 2022-2023 and 2024-2025. As outlined in section 7 of this report, the level and profile of this funding and any additional costs, in particular linked to the cap on care, and how this relates to the funding provided through the adult social care precept are not yet known. Updates will be provided in future budget reports once further information becomes available.
- 5.4 As previously reported to Cabinet, the Covid-19 pandemic has had a significant impact on Wolverhampton. The forecast collection fund deficit increased as a result of a decline in council tax and business rates collected during 2020-2021. The Council Tax base also reduced for 2021-2022 compared to 2020-2021, when taking into account increased numbers claiming Local Council Tax Support, lower collection rates and reprofiling of housing growth assumptions. These assumptions are currently being reviewed and updated for 2022-2023 and future years based on collection data for 2021-2022. These assumptions will continue to be tested and updates provided in future reports.

One-off Opportunities

- 5.5 On 16 June 2021 the outturn position for 2020-2021 was presented to Cabinet. It was noted that as a result of the overall outturn position, there was no call on the Future Years Budget Strategy (£2.3 million) and the Job Evaluation (£1.0 million) reserves. It is proposed that the use of these reserves is built into the 2022-2023 budget. In addition, it is also proposed that the Treasury Management Equalisation Reserve of £1.7 million be released in 2022-2023.
- 5.6 It was reported to Council that in the budget for 2021-2022 there was an estimated net cost of £6.4 million relating to the impact of Covid-19. Efficiencies across the Council enabled the Council to set a balanced budget despite this pressure. The Council has managed the use of Covid-19 grants very carefully which enabled some grant to be carried forward into the current financial year. It is proposed that in the first instance, £5.0 million of Covid-19 Emergency Grant is drawn down to support the underlying budget pressures in 2021-2022, thereby releasing general fund resources which can be utilised to meet the budget deficit in 2022-2023.
- 5.7 The use of capital receipts flexibility to fund revenue transformation has been extended until 2024-2025. Work has been undertaken to look at what extent capital receipts can be utilised in 2022-2023 to support the budget strategy and it is now proposed that £5.0 million is built into the budget for 2022-2023.

- 5.8 The outturn position for 2020-2021 did not require a number of grants to be drawn down to fund one-off expenditure within year. It is therefore proposed that one-off grants are utilised in 2022-2023 totalling £1.0 million.
- 5.9 It was reported to Cabinet in July 2021, that early indications are that there are some efficiencies across some services in 2021-2022. It is proposed that any underspends are transferred to a specific reserve to support the 2022-2023 Budget Strategy and reduce the level of capital receipts to pay for revenue transformation in 2021-2022. It is currently estimated that there could be underspends in the region of £4.0 million mainly across Corporate Services. Where ongoing underspends are identified, they will be reflected in the budget strategy for future years in a similar way to corporate contingency budget reductions, referenced in paragraph 5.10 below. This assumption will be kept under review and updates will be provided in future Performance and Budget Monitoring reports to Councillors, with the next update due to be presented to Cabinet on 17 November 2021.

Changes to Growth and Inflation

- 5.10 The outturn report 2020-2021 reported to Cabinet in June 2021, noted that a number of corporate contingencies have not been required in full. Work has been undertaken in conjunction with relevant service areas to determine the level of risk and contingency required for 2022-2023. It is therefore proposed that these contingency budgets are reduced by £2.2 million.
- 5.11 On the 7 September 2021, Government announced an increase to both employers and employees national insurance of 1.25% which will be ring-fenced to fund cost pressures across health and social care. The cost of a 1.25% increase is in the region of £1.0 million (excluding any pay award). The Government have announced that public sector employers will be compensated for this increase in costs. The budget therefore assumes there is net nil impact for the Council.

Revisions to Budget Reduction Targets

- 5.12 The Council highly value the contribution employees make in the delivering of its priorities. The July 2021 budget report to Cabinet proposed that the Staff Terms and Conditions budget reduction target of £1.2 million be deleted from the MTFS and that work would be undertaken to establish whether this adjustment could be offset by the possible inclusion of a vacancy factor. Work has now been carried out in conjunction with the relevant service areas on the level of vacancies held as a result of natural staff turnover throughout the year, and it is therefore proposed that a vacancy factor of £1.2 million replace the Staff Terms and Conditions proposal. The introduction of a vacancy factor will not mean a change to normal recruitment processes and in the event that the vacancy target is not delivered within year, the Budget Contingency Reserve will be used to offset any shortfall.

- 5.13 In addition, an in-depth review has been undertaken on existing budget reduction and income generation targets to ensure that the targets included in the MTFS remain deliverable over the medium term. It has been determined that £1.8 million of savings will not be delivered in 2022-2023 as originally planned. It is therefore proposed that these be deleted from the MTFS.

Efficiencies

- 5.14 The outturn position for 2020-2021 reported an underspend in the Treasury Management budget. As reported to Cabinet in the draft budget strategy on 28 July 2021, early indications are that there is an underspend in the Treasury Management budget in the current financial year. The level of borrowing required to support the capital programme has been reviewed and the treasury management forecast tested to ascertain the budget requirement for 2022-2023. It is therefore proposed the Treasury Management budget is reduced by £1.5 million.
- 5.15 The Council in the context of its role as a participating employer within the West Midlands Pension Fund (the Fund), was subject to a triennial actuarial valuation review in 2019-2020 which set the employer pension contribution requirements over the period from 2020-2021 to 2022-2023. Following discussions with the Fund, it was intended that the Council make an annual payment in April of each year for future services contributions in order to reduce the total costs and secure budget reductions. Furthermore, upfront payment of past service deficit contributions secured additional budget reductions for 2022-2023, which have now been reflected in the MTFS.
- 5.16 In addition, over a number of years, in-year efficiencies have been delivered across a number of services, without impacting of the delivery of Council priorities. It is therefore proposed that an in-year efficiency target is built into the budget to capture these potential efficiencies. In the event that this in-year target is not delivered, the Budget Contingency Reserve will be used to offset any shortfall.
- 5.17 The proposals outlined in the paragraphs above will enable the Council to set a balanced budget for 2022-2023. Work will continue over the coming months to review all assumptions outlined above in order to close the remaining forecast budget deficit of £1.1 million for 2022-2023; a further update will be presented to Councillors in December 2021. The overall impact of the revisions to the draft budget 2022-2023, arising from the items detailed in the paragraphs above have been reflected in Table 1 overleaf:

Table 1 – Draft Budget Strategy 2022-2023

	2022-2023 £000
Projected Budget Challenge as at February 2021	25,352
Changes to Corporate Resources	
• Review of Collection Fund deficit	(200)
One-Off Opportunities	
• Use of Budget Strategy Reserve	(2,347)
• Use of Job Evaluation Reserve	(1,000)
• Use of Treasury Management Reserve	(1,651)
• Use of Covid-19 emergency grant in 2021-2022 (creation of a reserve from efficiencies)	(5,000)
• Capital Receipts Flexibility	(5,000)
• Use of One-off grants	(1,000)
• Anticipated underspends in 2021-2022 to carry forward	(4,000)
• Underlying underspends – in year efficiencies	(1,500)
Changes to Growth and Inflation	
• Review of Corporate Contingencies and inflation assumptions	(2,175)
Treasury Management	
• Review of Treasury Management budget	(1,500)
Revisions to Budget Reduction Targets	
• Deletion of Staff Terms and Conditions	1,200
• Vacancy Factor to replace Staff Terms and Conditions	(1,200)
• Review of existing savings targets	1,800
• Efficiencies from upfront pension payment	(650)
Total	24,223
Projected deficit after impact of revisions	1,129

- 5.18 It is important to note that due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council.

6.0 Budget Strategy 2023-2024

- 6.1 The proposals outlined above provide a short-term plan for 2022-2023, but do not address the underlying budget deficit over the medium term. It was reported to Cabinet in July 2021, that the estimated budget deficit for 2023-2024 onwards would be in the region of £25 million. Work has also been undertaken to identify measures which will provide a sustainable medium term strategy and updates are provided in the following paragraphs.
- 6.2 The MTFS currently assumes that the Top Up Grant is cash flat. We are currently reviewing a number of different scenarios and the likely impact of any increase for inflation or growth.
- 6.3 As outlined in paragraph 5.3 and section 7, Government have announced additional funding for Adult Social Care which is not currently built into the MTFS. Whilst the level of funding has not yet been confirmed, work will be undertaken to estimate what this is likely to be in 2023-2024. At the point of writing, it is not known to what extent any additional funding will cover the additional costs arising as a result of the proposals. In addition, Council Tax and Business Rates assumptions will be reviewed in line with updated collection rates as the city begins to recover from the pandemic.
- 6.4 As detailed in paragraph 5.14 there was an underspend on the Treasury Management budget in 2020-2021 and current forecasts indicate an underspend in 2021-2022. The level of borrowing required to support the capital programme over the medium term will be reviewed and treasury management forecasts tested to ascertain if the budget can be reduced further in 2023-2024.
- 6.5 As outlined in paragraph 5.16, over a number of years in-year efficiencies have been delivered without impacting on the delivery of service priorities. It is therefore proposed that an in-year efficiency target be considered for 2023-2024 in order to capture these efficiencies.
- 6.6 A further review will be undertaken across corporate budgets to identify any further potential efficiencies, including the budget held for future credit losses (bad debt provision), with a review of reducing this budget in future years. Targeted work is underway to improve access and to analyse data on our outstanding debts in order to build on our One Council approach to engagement with customers in relation to debt.
- 6.7 The proposals outlined in this report, in relation to Treasury Management and efficiencies could reduce the budget deficit for 2023-2024 to below £20 million. This will be reduced further by any additional government grant funding, including inflation increases and adult social care funding. Given the current level of forecast deficit, it is likely that service led savings will need to be considered in order to set a balanced budget for 2023-2024.
- 6.8 It is important to note that there continues to be a level of uncertainty associated with emerging behavioural and operational changes arising as a result of the pandemic. This may continue to have significant ongoing financial implications for services provided by

the Council including, but not limited to, social care, public health and wellbeing and income generating services

- 6.9 Work will continue over the coming months to review all assumptions in the Medium Term Financial Strategy and due diligence will be undertaken to test the assumptions and proposals outlined above for 2023-2024 onwards. It is anticipated that a further update will be presented to Councillors in December.
- 6.10 The Final Budget Report which will be presented to Cabinet in February 2022 will include an extension of the MTFS to incorporate assumptions to 2024-2025, in line with the three year spending review.

7.0 Risk and Uncertainty

Social Care

- 7.1 On 7 September 2021, Government published 'Building Back Better: Our Plan for Health and Social Care'. This represents a plan to tackle twin challenges – the backlog in NHS resulting from the Covid-19 pandemic and the long standing systemic and funding challenges for delivering adult social care.
- 7.2 The plan represents the first stage of information being provided around the reforms, with initial focus upon the NHS waiting times. It then outlines, the proposals on reforming adult social care, with focus upon what both those who receive services will need to pay and the support they may receive, and briefly the additional funding that will be provided to local government to support the reformed system.
- 7.3 The Government announced that they will ensure local authorities have access to sustainable funding for core budgets at the Spending Review, and that they expect demographic and unit cost pressures will be met through Council Tax, social care precept, and long-term efficiencies.
- 7.4 The plans propose to introduce a new £86,000 cap on the amount anyone will need to spend on their personal care over their lifetime, which will come into effect from October 2023. In addition to this it is proposed that a £20,000 capital threshold will replace the current £14,250. For people with capital below £20,000, their contribution will be based on a financial assessment of their income only, for people with capital of between £20,000 and £100,000 20% of their capital will be added to their income to determine their contribution. People will pay the full cost for their care and support when they have capital above £100,000. Once the cap is reached, the local authority will pay for all eligible personal care costs. Work is currently underway to forecast the potential cost implications of the proposed changes.
- 7.5 The Government have indicated that it will levy in additional funding of around £12 billion per year from an increase of 1.25% on both employers and employees national insurance contributions. Of this, £5.4 billion will be used to fund social care between 2022-2023 and 2024-2025. The Spending Review 2021, which will set out the funding

totals for the next three years (2022-2023 to 2024-2025), will be delivered on 27 October 2021. The Government then plans to consult on proposals for distributing the additional funding for adult social care across local government. In addition, the Government will also publish a white paper on system reform for adult social care.

- 7.6 This increase in employer national insurance will also apply for providers of service to the council; including but not limited to social care providers. There is a significant amount of uncertainty on the financial implications of the impact of this increase along with the impact of the high inflationary costs on the cost of services and goods procured by the council.

Other Budget Risks

- 7.7 At the time of writing this report national negotiations are ongoing in respect of the pay award for 2021-2022. The 2021-2022 budget includes provision within employee budgets for a 1% pay award. However, it is anticipated that there is some provision within corporate budgets to accommodate an increase of up to 2% without having to find offsetting budget reductions in year. Any increase above 2% would require in year efficiencies to be made and increase the projected deficit for 2022-2023 and future years. The MTFS currently assumes 2% pay award for 2022-2023.
- 7.8 At the time of writing this report, there continues to be considerable uncertainties with regards to future funding streams for local authorities over the forthcoming financial year and medium term and it is particularly challenging to establish a medium term financial strategy at this point in time. On 7 September 2021, Government announced that a three-year spending review will be held on 27 October 2021. As further information is made available, updates will be provided to Councillors in future budget reports. Any reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term.
- 7.9 The cost of dealing with the pandemic extends beyond the immediate period. It is not yet known how long the pandemic will go on for or what level of future support required will be. It is anticipated that pressures will continue to emerge in many areas particularly in social care, public health and wellbeing and income generating services. The end of furlough, the impact of increases in National Insurance costs and inflation could also impact on the Council's income collection from council tax and business rates for years to come.
- 7.10 The overall level of risk associated with the Draft Budget and Medium-Term Financial Strategy (MTFS) 2022-2023 to 2023-2024 is assessed as Red. The following table provides a summary of the risks associated with the MTFS, using the corporate risk management methodology.

Table 2 – General Fund Budget Risk Register

Risk	Description	Level of Risk
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, and National Living Wage.	Amber
Service Demands	Risks that might materialise as a result of demands for statutory services outstretching the available resources. This particularly applies to adults and childrens social care.	Red
	Risks that might materialise as a result of demands for non-statutory services outstretching the available resources	Amber
Identification of Budget Reductions	Risks that might materialise as a result of not identifying budget reductions due to limited opportunity to deliver efficiencies.	Amber
Budget Management	Risks that might materialise as a result of the robustness of financial planning and management, in addition to the consideration made with regards to the loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce	Amber
Reduction in Income and Funding	Risks that might materialise as a result of the multi-year Spending Review, and reforms to Business Rates Retention and the Fair Funding Review.	Red
	Risks that might materialise as a result of income being below budgeted levels, claw back of grant, or increased levels of bad debts.	Amber
	The risk of successful appeals against business rates.	

Risk	Description	Level of Risk
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise due to structural uncertainties including the impact of exiting the European Union.	Red
	Risks that might materialise as a result of changes to Government policy including changes in VAT and taxation rules.	Red
Covid-19	Risk that the financial implications of Covid 19 including the Council's recovery will exceed the grant allocations awarded by Government and place further financial pressures on the council financial position over the medium term.	Red

8.0 Next Steps

- 8.1 A summary of the 2022-2023 budget setting process timetable is detailed below in Table 3.

Table 3 – Budget Timetable

Milestone	Deadline
Report to Cabinet following the Spending Review	December 2021
Report to Scrutiny Board	January 2022
Report to Cabinet following Local Government Finance Settlement	January 2022
Final Budget Report 2022-2023 to Cabinet	23 February 2022
Full Council Approval of Final Budget 2022-2023	2 March 2022

9.0 Continuous Conversations with Communities

- 9.1 It is vital that city partners, residents, businesses and voluntary community sector are actively engaged throughout the city's recovery and that there are opportunities to co-produce innovative solutions to the challenges the pandemic has brought. Relighting Our City will continue to be a 'living' document and be taken forward as a continuous conversation with our communities through our Commonplace platform.
- 9.2 Throughout the year we will continue to actively engage with our key stakeholders to understand the needs of the city and the things that matter most, seeking opportunities to co-produce innovative solutions to challenges and understand how we should prioritise the

use of our finite resources In the coming months we will be engaging with city partners and communities to refresh our Council Plan 2019-2024 to ensure it continues to reflect the needs and priorities of local people.

10.0 Evaluation of alternative options

- 10.1 In determining the financial strategy, consideration has been made to the deliverability of budget reduction and income generation proposals, and budget pressures. If we were not to implement the strategy outlined in this report, alternative options would need to be identified in order for the Council to set a balanced budget for 2022-2023.

11.0 Reasons for decisions

- 11.1 It is recommended that the updated draft budget strategy linked to the Five Year Financial Strategy, including changes to corporate resource assumptions and growth and inflation, for inclusion in the Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024 is approved by Cabinet. Cabinet will be provided with an update on progress in the Draft Budget and Medium Term Financial Strategy 2022-2023 to 2024-2025 report which will be presented to Cabinet in February 2022. In approving this strategy, the Council will be working towards identifying options to be able to set a balanced budget for 2022-2023.

12.0 Financial implications

- 12.1 The financial implications are detailed in the body of this report.
[MH/12102021/S]

13.0 Legal implications

- 13.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any budget reduction proposals.
- 13.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.
- 13.3 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its Council Tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon an assessment of all the circumstances considered likely to affect the Council.

- 13.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFS, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).
- 13.5 In addition, Section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to '...make a report ... if it appears to her that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented':
- (a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
 - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
 - (c) is about to enter an item of account the entry of which is unlawful.
- 13.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 13.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2022-2023.
[TC11102021/C]

14.0 Equalities implications

- 14.1 The method by which the MTFS for 2022-2023 is developed is governed by the Council Plan priorities described in sections 3 and 4, which itself was guided by consultation and equality analysis. Development of budget reduction proposals for Cabinet's consideration will include 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 enable Councillors to discharge their duty under Section 149 of the Equality Act 2010.

15.0 All other implications

- 15.1 The Covid-19 implications are detailed in the body of the report
- 15.2 Any human resource implications will be subject to consultation and managed in accordance with the Council's HR policies and processes

16.0 Schedule of background papers

- 16.1 [2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 –](#)
report to Cabinet on 17 February 2021 and Full Council on 3 March 2021.
- 16.2 [Performance, Budget Monitoring and Budget Update 2021-2022](#) – report to Cabinet on
28 July 2021.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 17 November 2021
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Report title	Capital Programme 2021-2022 to 2025-2026 Quarter Two Review	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye Tel Email	Director of Finance 01902 550478 Claire.Nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Council	1 November 2021 1 December 2021

Recommendations for decision:

That Cabinet recommend that Council approve:

1. The revised, medium term General Revenue Account capital programme of £298.1 million, an increase of £6.7 million from the previously approved programme, and the change in associated resources.

That Cabinet is recommended to:

1. Approve the virements for the General Revenue Account capital programme detailed at Appendix 4 to the report for;
 - i. existing projects totalling £4.3 million;
 - ii. new projects totalling £1.7 million.
2. Approve the virements for the Housing Revenue Account (HRA) capital programme detailed at Appendix 4 to the report for;
 - i. existing projects totalling £3.6 million.

Recommendations for noting:

The Cabinet is asked to note:

1. That there is an intentional 'over-programming' of projects to reflect the reality that some projects will inevitably be delayed due to unexpected circumstances or changes to priorities. Over-programming aims to ensure that, as far as possible, the resources available are fully utilised.
2. That the following capital projects are included in a bid for external European Regional Development Fund grant as part of the Wolverhampton Investment in Smart Energy programme. If successful, and subject to confirmation of grant funding, this could attract up to 40% of external funding that would reduce the amount of internal resources required to fund the Corporate Asset Management programme. Any realised changes in resources as a result of grant confirmation will be reflected in future monitoring reports for approval.
 - Aldersley Leisure Centre (Hockey Pitches) – External lighting to include electrical controls & lighting columns;
 - Bradley Resource Centre – Mechanical Plant upgrade;
 - Civic Centre – Flue replacement.

1.0 Purpose

- 1.1 To provide Cabinet with an update on the 2021-2022 financial performance of the General Revenue Account and Housing Revenue Account (HRA) capital programmes whilst also providing a revised forecast for 2021-2022 to 2025-2026 as at quarter two of 2021-2022.
- 1.2 To recommend revisions to the current approved capital programmes covering the period 2021-2022 to 2025-2026.

2.0 Executive summary

- 2.1 The General Revenue Account and HRA capital programmes are underpinned by Our Council Plan 2019-2024 with significant focus on working together to be a city of opportunity; focused on the following strategic outcomes:
 - Children and young people get the best possible start in life
 - Well skilled people working in an inclusive economy
 - More good jobs and investment in our city
 - Better homes for all
 - Strong, resilient and healthy communities
 - A vibrant, green city we can all be proud of.
- 2.2 The Council, alongside managing the emergency response to the pandemic, has undertaken extensive planning for recovery which was approved by Cabinet in September 2020. It engaged with around 2,500 people including residents, young people, the voluntary and community sector and other partners, employees, Councillors and businesses across the city. This engagement has shaped the Council's five-point recovery plan, 'Relighting Our City'.
- 2.3 Relighting Our City sets out the priorities which will guide the Council's approach as the organisation and the City starts to transition from the response to the recovery phase of the pandemic:
 - Support people who need us most
 - Create more opportunities for young people
 - Support our vital local businesses
 - Generate more jobs and learning opportunities
 - Stimulate vibrant high streets and communities.
- 2.4 Relighting Our City also references three cross cutting themes which cut across all of our recovery work, namely being climate focused, driven by digital and fair and inclusive in our approach.
- 2.5 The capital programme includes significant investment programmes that endeavour to create an environment where new and existing business thrive, people can develop the

skills they need to secure jobs and create neighbourhoods in which people are proud to live.

- 2.6 The capital programme reflects the priorities of the Strategic Asset Management Plan. Individual capital project delivery milestones and financial analysis is undertaken over the lifecycle of each project, by project managers in conjunction with Strategic Finance, and is updated in the Council's project management system. Regular project delivery updates are provided to Leadership teams and to the Project Assurance Group, enabling governance and challenge. In addition to this, a Capital Projects Member Reference Group provides enhanced project governance and challenge.
- 2.7 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. The pandemic has understandably had an impact on the development of capital projects. Given the unprecedented circumstances, there has understandably been delays on some capital schemes due to Covid-19. To ensure that any potential costs are met, in June 2020, the Council approved budget provision for specific risks emerging from the Covid-19 global pandemic. The Council will continue to assess the potential implications of Covid-19 on its wider capital programme in terms of delivery timescales and increases in costs. The capital programme makes a significant contribution to the shaping of the City and on the economy of the City and therefore will contribute to the Council's plans for Relighting Our City.
- 2.8 On 21 July 2021, Council approved a General Revenue Account capital programme totalling £267.4 million for the period 2021-2022 to 2025-2026. Since then, further reports submitted to Councillors have been approved to increase this amount by £23.9 million to £291.3 million, funded from a mixture of internal and external resources, details of which can be found in Appendix 1 and are summarised below:
- The creation of a budget for the Brewers Yard (Phase 1) project funded through grant and prudential borrowing was approved by Council on 15 September 2021;
 - A budget increase was approved for the City Learning Quarter Phase 1 project, fully funded by grant from the West Midlands Combined Authority's Investment Programme;
 - A budget was approved for the Safer Streets capital programme, fully funded by grant from the Home Office.
- 2.9 In addition to this, a reallocation of resources from the Corporate Contingency to the Corporate Asset Management capital programme has been approved through an Individual Executive Decision Notice to facilitate works required to ensure that corporate priorities are addressed and met in an agile and timely manner. This is summarised at Appendix 1 to the report.

- 2.10 At the end of quarter two of the 2021-2022 financial year, expenditure for General Fund Revenue Account existing projects totals £36.4 million compared to the projected budget of £112.9 million.
- 2.11 This report considers specific changes to budgets. A full list of the proposed capital programme can be found in Appendix 1 to the report.
- 2.12 Table 1 shows the approved General Revenue Account capital programme budget compared with that proposed, along with the resources identified to finance the proposed change.

Table 1: Summary of the General Revenue Account capital programme

General Revenue Account capital programme	2021 - 2022 £000	2022 - 2023 £000	2023 - 2024 £000	2024 - 2025 £000	2025 - 2026 £000	Total £000
Budget						
Approved	141,360	102,218	34,331	12,365	1,068	291,342
Variations						
New projects	1,904	5,000	-	-	-	6,904
Existing projects	(30,334)	9,549	9,235	11,375	-	(175)
	(28,430)	14,549	9,235	11,375	-	6,729
Projected	112,930	116,767	43,566	23,740	1,068	298,071
Financing						
Approved						
Internal resources	91,305	41,280	20,918	9,847	1,068	164,418
External resources	50,055	60,938	13,413	2,518	-	126,924
	141,360	102,218	34,331	12,365	1,068	291,342
Variations						
Internal resources	(15,906)	16,156	(4,888)	9,375	-	4,737
External resources	(12,524)	(1,607)	14,123	2,000	-	1,992
	(28,430)	14,549	9,235	11,375	-	6,729
Projected						
Internal resources	75,399	57,436	16,030	19,222	1,068	169,155
External resources	37,531	59,331	27,536	4,518	-	128,916
Projected	112,930	116,767	43,566	23,740	1,068	298,071

- 2.13 This report recommends variations to the approved capital programme totalling an increase of £6.7 million, which brings the total revised programme to £298.1 million.
- 2.14 Details of all the projects that have contributed to the overall increase of £6.7 million in the General Revenue Account capital programme can be found in Appendices 1 and 2 to the report, however, the key projects that have contributed to the increase in the programme are as follows;
- An increase of £5.0 million is proposed for the Transformational projects capitalisation 2022-2023 programme. This will enable the Council to utilise capital receipt flexibility to fund revenue transformation projects in line with the 2022-2023

budget strategy outlined in the Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024, which was presented to Cabinet on 20 October 2021;

- Further to this, there is an increase of £1.4 million relating to the AIM for GOLD project within Regeneration, which is fully funded by grant from the European Community Structural Funds;
- Finally, an increase of £250,000 is proposed for the Prouds Lane Playing Field - Open Space Improvements project within the Parks Strategy and Open Spaces Capital Programme, funded by a contribution from Public Health.

- 2.15 On 17 July 2021, Council approved a revised HRA capital programme totalling £403.4 million for the period 2021-2022 to 2025-2026.
- 2.16 Of the approved £403.4 million HRA budget, £92.9 million relates to the 2021-2022 financial year. To reflect the most up to date forecast for the HRA projects available at the time of writing this report, re-profiling of the programme is proposed which results in the re-phasing of £30.8 million from 2021-2022 into future years. This change has no impact on the overall approved capital budget for HRA. Expenditure to the end of quarter two 2021-2022 for existing projects totals £18.6 million compared to the projected budget of £62.1 million.
- 2.17 Table 2 shows the approved HRA capital programme budget compared with that proposed, along with the resources identified to finance the proposed change.

Table 2: Summary of the HRA capital programme

Housing Revenue Account capital programme	2021 - 2022 £000	2022 - 2023 £000	2023 - 2024 £000	2024 - 2025 £000	2025 - 2026 £000	Total £000
Budget						
Approved	92,915	96,320	82,060	70,181	61,930	403,406
Variations						
Existing projects	(30,821)	(4,767)	8,480	12,040	15,068	-
	(30,821)	(4,767)	8,480	12,040	15,068	-
Projected	62,094	91,553	90,540	82,221	76,998	403,406
Financing						
Approved						
Internal resources	92,915	96,320	82,060	70,181	61,930	403,406
External resources	-	-	-	-	-	-
	92,915	96,320	82,060	70,181	61,930	403,406
Variations						
Internal resources	(31,141)	(4,767)	8,480	12,040	15,068	(320)
External resources	320	-	-	-	-	320
	(30,821)	(4,767)	8,480	12,040	15,068	-
Projected						
Internal resources	61,774	91,553	90,540	82,221	76,998	403,086
External resources	320	-	-	-	-	320
Projected	62,094	91,553	90,540	82,221	76,998	403,406

3.0 Existing projects

- 3.1 The changes proposed for existing projects within the General Revenue Account capital programme total a net increase of £6.7 million. A more detailed listing of the individual projects can be found in Appendices 1 and 2 to the report.
- 3.2 Proposed budget virements between existing projects within the General Revenue Account capital programme total £4.3 million, further details are provided in Appendix 4 to the report.
- 3.3 The following paragraphs provide commentary on the significant changes to budgets and an update on key projects.
- 3.4 The Civic Halls project continues to progress. Structural steel installation to Corporation Street and Mitre Fold are largely complete and the steel installation for new seating balcony in the Wulfrun is completed. Covid-19 measures are still in place and constantly being monitored to include material sourcing and sub-contractor resource levels. The Council have completed the Operator procurement; the contract with AEG was signed by both parties on 5 November 2021.
- 3.5 The Train Station has now achieved Practical Completion with Phase 2 of the build programme completed earlier this year. A programme of activity to handover the facility to Network Rail and West Midlands Trains and achieve 'Entry into Service' has now been concluded. With redevelopment of Phase 2 of the station now complete, work is underway on the establishment of the plaza space, Metro connection and cycle parking as the final components of the multi-modal transport interchange.
- 3.6 Planning consent was granted for the City Learning Quarter (CLQ) City Campus in late 2019. CLQ is one of the Council's top regeneration priorities being fundamental to the levelling up approach for the City. The Council is responsible for the project management of the CLQ programme including Phase 1, CoWTechC (City of Wolverhampton College Technical Centre); in order to facilitate the coordinated and comprehensive delivery of the programme.

City Learning Quarter Phase 1, CoWTechC has been awarded a grant of £7.75 million from the West Midlands Combined Authority (WMCA) that, together with secured Black Country LEP funding of £0.35 million, enables transition into the delivery phase; fully funded by public grants. Cabinet (Resources) Panel on 20 October 2021 approved the acceptance of WMCA grant with associated delegations to agree final terms and conditions.

The Government announced on 28 October 2021 that the City Learning Quarter has been awarded £20.0 million of Round 1 'Levelling Up Fund' to support the delivery of CLQ Phase 2, City Centre Campus. Dialogue is continuing with the Department of Education to explore further funding routes to secure the remaining funds required to deliver CLQ Phase 2.

- 3.7 In relation to the Westside project, the Council is continuing to work towards the re-phasing of the Westside project which involves reviewing the masterplan configuration and accelerating the hotel element following ongoing market engagement with possible hotel brands and operators. Work is ongoing to establish the Council's preferred procurement route; alongside appropriate holding and operational strategies; in order to develop a full and considered options appraisal leading to a business case and Cabinet report to be presented detailing the next steps.
- 3.8 The i54 Western Extension joint venture construction project with Staffordshire County Council reached practical completion in mid-August 2021 and the likely total costs of the development are now becoming more certain. Whilst the project is still incurring residual capital expenditure as it moves through the final completion and full plot occupation phases, latest estimates indicate that there will be a significant saving against budget.
- In addition, the joint venture has attracted further grant support, both of which will have a positive impact on the Council's budget requirements. A more detailed update of the impact of this on Wolverhampton's capital programme will be provided at quarter three.
- 3.9 The i9 development achieved practical completion on 4 August 2021. The building is now substantially let to the following tenants – LGPS Central Ltd; West Midlands Pension Fund and the Department for Levelling up, Housing and Communities. i9 is the first government department headquarters outside of London and will include a ministerial presence. The award-winning design achieves BREEAM (Building Research Establishment's Environmental Assessment Method) 'Excellent' and WiredScore 'Gold' accreditation and sets new benchmarks for office rents in the city.
- 3.10 The forecast for the HRA 2021-2022 capital programme as at quarter two totals £62.1 million, which is a reduction of £30.8 million from the quarter one forecast due to re-phasing of budgets. In general, across the whole programme, there is an impact from Covid-19 compliant working practices, but work programmes are also being impacted by delays to and lack of availability of material supplies. Additionally, there are supply chain issues with reduced availability of resources due to demand from the high volume of activity in the construction sector in the West Midlands.
- 3.11 More specifically, £11.0 million of the re-phasing relates to the ongoing work programmes to high rise estates, to replace mechanical and electrical infrastructure, fit sprinklers and improve fire safety. The complexity of the design work and the need to ensure that the work will comply with both current and expected future legislation has led to the design period being longer than anticipated.
- 3.12 In order to be prudent, there is an intentional 'over-programming' of projects to reflect the reality that some projects will inevitably be delayed due to unexpected circumstances or changes to priorities. Over-programming aims to ensure that, as far as possible, the resources available are fully utilised.

- 3.13 It is important to note that the capital projects at Aldersley Leisure Centre Hockey Pitches for external lighting to include electrical controls & lighting columns, Bradley Resource Centre for a mechanical plant upgrade and Civic Centre flue replacement are included in a bid for external European Regional Development Fund grant as part of the Wolverhampton Investment in Smart Energy programme. If successful, and subject to confirmation of grant funding, this could attract up to 40% of external funding that would reduce the amount of internal resources required to fund the Corporate Asset Management programme. Any realised changes in resources as a result of grant confirmation will be reflected in future monitoring reports for approval.

4.0 New projects and virements

- 4.1 Table 3 provides a summary of new projects requiring approval, covering the period 2021-2022 to 2025-2026, and identifying where additional funding is required and where the new expenditure can be met from existing resources. A detailed analysis of the individual projects included in this table can be found in Appendix 3 to the report.

Table 3: Summary of new projects requiring approval

Directorate	Forecast outturn	2021-2022 to 2025-2026		Virements from existing projects
		Additional internal resources required	Additional external resources required	
	£000	£000	£000	£000
General Revenue Account	6,904	5,003	203	1,698
Total	6,904	5,003	203	1,698

- 4.2 The new projects requiring approval are funded from a mixture of internal (£5.0 million) and external resources (£203,000), and virements totalling £1.7 million. A list of the virements can be found in Appendix 4 to the report.
- 4.3 Of the overall increase of £6.9 million for the General Revenue Account capital programme, an increase of £5.0 million relates to the Transformational projects capitalisation 2022-2023 programme. Due to the capital receipts flexibility being extended until 2024-2025, it is now proposed to utilise capital receipts to fund revenue transformation projects. This is in line with the 2022-2023 budget strategy outlined in the Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024, which was presented to Cabinet on 20 October 2021.
- 4.4 Of the £203,000 increase funded externally, £130,000 reflects developer contributions received towards the Parks Strategy and Open Spaces Capital Programme. Approval is now sought for three new projects to carry out improvements to Bantock Park and Peascroft Wood open space and to install play equipment on the open space at Coleman Avenue. An increase of £73,000 relates to new A41 Moxley Gyratory project within the Transportation capital programme which is fully funded by grant from the West Midlands Combined Authority (WMCA).

- 4.5 New projects created through virements from existing projects relate to Education, Fleet, Corporate Asset Management, Disabled Facilities Grant and ICT capital programmes. A virement totalling £436,000 is required to support 13 new projects within the Schools Capital Maintenance programme to carry out various works across schools within the City. Further to this, a virement of £408,000 was requested to support nine new projects within the Corporate Asset Management capital programme, to enable the completion of priority works ensuring all Council assets are statutory compliant and fit for purpose. Virements totalling £403,000 are required for the purchase of vehicles and equipment within the Fleet capital programme, whilst a virement of £400,000 is proposed for new Disabled Facilities Grant (DFG) Capitalised Salaries project within the DFG capital programme. Finally, a virement of £51,000 is required to facilitate annual rolling Disaster Recovery 2021-2022 project within the ICT capital programme.
- 4.6 It also should be noted that there is a virement of £36,000 within the Children and Young People in Care capital programme. A reallocation of resources was approved through delegated authority to support extension works, this can be seen in Appendix 5 to the report.

5.0 Medium term capital programme financing

- 5.1 Table 4 details the approved financing for the capital programme for 2021-2022 to 2025-2026 and incorporates the requested approvals for projects included in this report.

Table 4: Approved and forecast capital financing 2021-2022 to 2025-2026

General Revenue Account capital programme	2021-2022 to 2025-2026			
	Approved budget	Recommended budget	Variance	Resource as % of expenditure
	£000	£000	£000	
Expenditure	291,342	298,071	6,729	
Financing				
Internal resources				
Capital receipts	79,550	81,979	2,429	27.5%
Prudential borrowing	84,280	86,851	2,571	29.1%
Revenue contributions	588	325	(263)	0.1%
Reserves	-	-	-	0.0%
Subtotal	164,418	169,155	4,737	56.7%
External resources				
Grants & contributions	126,924	128,916	1,992	43.3%
Subtotal	126,924	128,916	1,992	43.3%
Total	291,342	298,071	6,729	100.0%

Housing Revenue Account capital programme	2021-2022 to 2025-2026			
	Approved budget £000	Recommended budget £000	Variance £000	Resource as % of expenditure
Expenditure	403,406	403,406	-	
Financing				
Internal resources				
Capital receipts	26,855	27,791	936	6.9%
Prudential borrowing	269,396	268,140	(1,256)	66.5%
Revenue contributions	10,615	10,615	-	2.6%
Reserves	96,540	96,540	-	23.9%
Subtotal	403,406	403,086	(320)	99.9%
External resources				
Grants & contributions	-	320	320	0.1%
Subtotal	-	320	320	0.1%
Total	403,406	403,406	-	100.0%

- 5.2 Capital receipts totalling £82.0 million have been assumed within the General Revenue Account capital programme over the medium term period 2021-2022 to 2025-2026 and can be seen in Table 5. This is an increase of £2.4 million when compared to the approved budget, which has arisen due to increased forecast from the sale of assets and re-phasing of receipts and capital requirements.

In order to be prudent, a detailed review of the schedule of asset disposals is undertaken to identify only those that are likely to be completed. The planned utilisation of capital receipts will reflect the need to balance the benefit for both the capital programme and the revenue budget and will form part of the ongoing Medium Term Financial Strategy.

- 5.3 Whilst the forecast of capital receipts is deemed prudent at this stage, it will continue to be monitored closely throughout the financial year in light of the impact of the Covid-19 pandemic. In the event that capital receipts assumptions change, updates will be provided in future reports to Councillors.

Table 5: Receipts assumed in the revised General Revenue Account capital programme

General Revenue Account	Projected					Total £000
	2021 - 2022 £000	2022 - 2023 £000	2023 - 2024 £000	2024 - 2025 £000	2025 - 2026 £000	
Capital programme receipts	32,200	18,900	13,000	13,000	4,900	82,000

- 5.4 It is the Council's strategy to use capital receipts to reduce the Council's need to borrow to fund the approved capital programme. Capital expenditure has a direct impact upon the Council's revenue budgets and therefore needs to be restricted to projects essential to the Council's priorities. Any proposals to increase the level of the capital programme are considered in accordance with the Capital Strategy.

6.0 Key budget risks

- 6.1 An analysis of the risks associated with the capital programme, along with the details of the risk control measures that are in place in order to manage and mitigate these risks as far as possible can be viewed online on the Council's website by following the link below:

[Capital Programme | City Of Wolverhampton Council](#)

- 6.2 The overall risk associated with the programme continuous to be quantified as amber.

7.0 Evaluation of alternative options

- 7.1 This report provides an update on progress of capital projects during 2021-2022 and anticipated budget requirement for future years. The evaluation of alternative project options is detailed in individual investment proposals.

8.0 Reasons for decisions

- 8.1 To seek Cabinet's recommendation to Council to approve the revised capital budgets. This will ensure that the capital programme budget reflects the latest forecasts and requirements.

9.0 Financial implications

- 9.1 The financial implications are discussed in the body of this report. The revenue implications of the new and existing projects seeking approval for additional or changes in resources for the General Fund Revenue Account are fully reflected in the treasury management budget forecasts included in the report 'Treasury Management Activity Monitoring – Mid Year Review 2021-2022' also on the agenda for approval at this meeting.
- 9.2 Table below represents new capital grant notifications received during quarter two 2021-2022:

Service	Funding body	Name of new grant	£000
Enterprise	Ministry of Housing, Communities & Local Government (MHCLG)	ERDF - AIM for GOLD	1,437
HRA	Department for Levelling Up, Housing and Communities (DLUHC)	Rough Sleeping Accommodation Programme	320
Transportation	West Midlands Combined authority (WMCA)	A4123 Corridor - A4150 Ring Road to A456 Hagley Road	225
Transportation	West Midlands Combined authority (WMCA)	A454 Wolverhampton to Neachells Lane, Phases 1,2 and 3	146
Transportation	West Midlands Combined authority (WMCA)	A41 Moxley Gyatory	73
Grand total grant notifications			2,201

[RJ/09112021/T]

10.0 Legal implications

- 10.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.

10.2 The Local Government Act 1972 brought in the current regime for capital finance for local authorities. It reduced the level of central control over local authority borrowing and capital expenditure.

10.3 Each project mentioned in this report will have its own specific legal implications, raised and tailored in their respective reports.

[TC/09112021/B]

11.0 Equalities implications

11.1 There is a range of individual projects delivered through the Council's capital programme that have significant impacts on specific groups and equality implications should be considered when individual capital projects are being developed.

11.2 This requirement would also apply if there were to be any redirection of capital funding in year to ensure that the impact of any changes is considered.

12.0 All other implications

12.1 A wide range of projects delivered through the capital programme have significant environmental implications and are geared to promote improvements to the physical environment.

12.2 Projects funded and delivered through the Council's capital programme typically have significant impact on the Council's property portfolio. Corporate landlord implications must be considered and included in relevant documents and reports when individual capital projects and programmes are being developed.

12.3 There is a range of individual projects delivered through the Council's capital programme which could have health and wellbeing implications, these should be considered when individual capital projects are being developed.

12.4 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. Covid-19 has had an impact on development projects internationally, nationally and regionally and also on projects within the City. Specific references are made where appropriate throughout the report.

13.0 Schedule of background papers

13.1 Council, 21 July 2021 - [Capital Budget Outturn 2020-2021 including Quarter One Capital Monitoring 2021-2022](#)

13.2 Cabinet (Resources) Panel, 28 July 2021 - [Safer Streets Grant Allocation](#)

13.3 Council, 15 September 2021 - [Brewers Yard \(Phase 1\) Culwell Street](#)

- 13.4 Individual Executive Decision Notice, 23 September 2021, exempt - Corporate Asset Management Fund – Approval to fund the mechanical flue replacement at the Civic Centre
- 13.5 Cabinet (Resources) Panel, 20 October 2021, exempt – [Progressing the City Learning Quarter](#)
- 13.6 Individual Executive Decision Notice – Allocation of funds within Specialist Provision Capital Fund

14.0 Appendices

- 14.1 Appendix 1: Detailed projected budget
- 14.2 Appendix 2: Detailed forecast change
- 14.3 Appendix 3: Projects requiring approval
- 14.4 Appendix 4: Virements for approval
- 14.5 Appendix 5: Virements to note



Specific Reserves Working Group

14 December 2021

Report title	Review of Specific Reserves 2021-2022	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Wards affected	All Wards	
Accountable director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Alison Shannon Tel Email	Chief Accountant 01902 554561 Alison.Shannon@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendations for action or decision:

The Specific Reserves Working Group is recommended to:

1. Provide its view and observations on the appropriateness of the specific reserves that are held by the Council.
2. Agree that it be recommended to Cabinet that any reserves no longer required for their original purpose should be transferred to the Council's Corporate Reserves as appropriate.
3. Approve that the findings and any recommendations be presented to Our Council Scrutiny Panel meeting on 19 January 2022.

1.0 Purpose

- 1.1 The purpose of this report is to seek the views and observations of members of the working group as to the appropriateness of specific reserves held by the Council by providing information on the balances held and their uses.

2.0 Background

- 2.1 Specific reserves are made up of revenue resources which have been set aside by the Council in previous financial years in order to fund specific items of expenditure in the future. The timing and certainty of this future expenditure varies, depending on the nature of the related spend.
- 2.2 The specific utilisation of reserves is subject to approval by Cabinet (Resources) Panel. This is most often reported in quarterly performance and budget monitoring reports.
- 2.3 Under the Council's financial procedure rules, the establishment, dissolution or use of specific reserves requires the approval of Cabinet. Specific reserves must also be reviewed for relevance and adequacy at least twice per financial year, as part of the outturn and budget preparation processes. The last such review was reflected in the 'Reserves, Provisions and Balances 2020-2021' report to Cabinet on 16 June 2021. Table 1 below details the balances and specific reserves held by the Council at 31 March 2021 which were included in the Council's audited Statement of Accounts.

Table 1 - Balances and Reserves as at 31 March 2021

	Balance as at 31 March 2021 £000
Total General Balances	(20,662)
Specific Reserves	(43,934)
Other Specific Reserves with Specific Criteria (excluding Schools' Balances)	(64,593)
Schools' Balances	(12,872)
Total	(142,061)

- 2.4 The Council's reserves are currently being reviewed as part of the annual budget setting process and the views and observations of the working group concerning the appropriateness of specific reserves are therefore being sought as part of this annual review.
- 2.5 General Balances and Schools' balances are not within the scope of this report. The associated financial management arrangements of Schools' balances are governed by the City of Wolverhampton's Scheme for Financing Schools.

3.0 Review

- 3.1 This report provides detailed information on the Council's current specific reserves at Appendix 1. Other specific reserves that are administered by the Council but that have specific criteria for allocation are provided for information in Appendix 2. A summary of this information by Directorate can be found in tables 2 and 3 below.

Table 2 – Specific Reserves by Directorate

Directorate	Actual Balance as at 1 April 2021 £000	Forecast Net Use/(Contribution) 2021-2022 £000	Forecast Balance as at 31 March 2022 £000
Adult Services	(2,616)	1,926	(690)
Children's and Education	(206)	-	(206)
City Housing and Environment	(855)	370	(485)
Corporate	(35,688)	7,668	(28,020)
Finance	(2,447)	200	(2,247)
Governance	(330)	147	(183)
Public Health	(4)	-	(4)
Regeneration	(2,118)	616	(1,502)
Total	(44,264)	10,927	(33,337)

Table 3 – Other Specific Reserves with Specific Criteria by Directorate

Directorate	Actual Balance as at 1 April 2021 £000	Forecast Net Use/(Contribution) 2021-2022 £000	Forecast Balance as at 31 March 2022 £000
Adult Services	(7)	-	(7)
Children's and Education	(1,600)	179	(1,421)
City Assets	(58)	-	(58)
City Housing and Environment	(3,103)	572	(2,531)
Corporate	(52,463)	32,180	(20,283)
Finance	(2,699)	-	(2,699)
Public Health	(4,134)	1,300	(2,834)
Regeneration	(199)	-	(199)
Total	(64,263)	34,231	(30,032)

- 3.2 It is proposed that any resources released from specific reserves be transferred to the Council's Corporate Reserves as appropriate in order to continue the funding that is available for strategic programmes.

4.0 Questions for Scrutiny to consider

- 4.1 The Specific Reserves Working Group is recommended to provide its views and observations on the appropriateness of specific reserves held by the Council.

- 4.2 The Specific Reserves Working Group is asked to consider what further information and support is needed to more effectively carry out their scrutiny function role.

5.0 Financial implications

- 5.1 These are discussed in the body of the report and are detailed in full at Appendices 1 and 2.
[MH/06122021/Z]

6.0 Legal implications

- 6.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
[SZ/06122021/P]

7.0 All other implications

- 7.1 There are no other direct implications arising as a result of this report. However, any consideration given to the use of reserves, provisions or balances could have direct or indirect equality implications. These will need to be considered as and when sums are allocated from reserves and/or balances whereby an initial screening will be conducted.

8.0 Schedule of background papers

- 8.1 Reserves, Provisions and Balances 2020-2021, report to Cabinet, 16 June 2021.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 19 January 2022
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Report title	Provisional Local Government Finance Settlement and Draft Budget Update 2022-2023	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Key decision	No	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee	Alison Shannon Tel Email	Chief Accountant 01902 554561 Alison.shannon@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	6 January 2022

Recommendations for noting:

The Cabinet are asked to note:

1. The outcome of the 2022-2023 Provisional Local Government Finance Settlement.
2. That the final budget report presented to Cabinet on 23 February 2022 will reflect the outcome of the settlement and detailed budget work for 2022-2023, including a review of all budget reduction proposals and the risks associated with their delivery.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet with an overview of the 2022-2023 Provisional Local Government Finance Settlement, which the Government announced on 16 December 2021.

2.0 Background

- 2.1 On 27 October 2021, the Government announced the outcome of the Spending Review 2021, the headlines of which were reported to Cabinet 8 December 2021. The Spending Review covered the period from 2022-2023 to 2024-2025.
- 2.2 On 16 December, the Government announced the Provisional Local Government Finance Settlement for 2022-2023. The announcement was for one year only and further details on the proposed funding reform and consultation are expected to follow in 2022.
- 2.3 The key points arising from the announcement and the impact on the Council's 2022-2023 Draft Budget and Medium Term Financial Strategy (MTFS) are detailed in the paragraphs below.

3.0 Provisional Local Government Finance Settlement

Council Tax Referendum Limit

- 3.1 The Government are proposing that the Council Tax Referendum Limit remains at 1.99% for 2022-2023. This is in line with the assumptions built into the MTFS.

Adult Social Care Precept

- 3.2 The Government have announced that local authorities with social care responsibilities can increase their council tax by an additional 1% Adult Social Care (ASC) precept, plus up to a further 3% where local authorities opted to defer the precept flexibility that was available in 2021-2022.
- 3.3 The MTFS currently assumes no additional ASC precept is levied beyond 2021-2022. In order to fund the increasing pressures across Adult Social Care, it is necessary for the Council to apply the ASC precept. The Final Budget report which will be presented to Cabinet in February 2022 and Full Council in March 2022, will recommend this increase.

Business Rates Multiplier

- 3.4 The Government have announced that there would be a freeze on the business rates multiplier for 2022-2023. Therefore, businesses will not see an inflationary increase in their business rates for 2022-2023, which would have been based on the September Consumer Price Index (CPI) at 3.1%. Local authorities will be compensated for the shortfall in income via a section 31 grant. The provisional amount included in the Core Spending Power (the amount of resources available to the local authority to fund service delivery), is based on the Consumer Price Index (CPI) which is 3.1%, however, the increase in the final settlement is expected to be based on the Retail Price Index (RPI), which is 4.9%. This would mean an increase in the Core Spending Power figures for the

final settlement. The Final Budget Report which will be presented to Cabinet and Full Council will be updated to reflect this change.

- 3.5 It was also confirmed that local authorities in 100% business rates retention Devolution Deals will continue in 2022-2023. This is in line with the assumptions built into the MTFS.

Adult and Children's Social Care

- 3.6 The Government have announced £700 million of new grant specifically for social care. The Government have estimated that these grants, together with the ASC precept flexibility, means that local authorities would be able to make use of over £1 billion of additional resources specifically for social care in 2022-2023.

Table 1 below provides a summary of these grant, with further detail in the paragraphs below:

Grant	Description	Assumptions in October 2021 MTFS £000	2022-2023 Provisional Allocation £000
Social Care Grant	Includes the roll forward of existing adults and children's social care grants, along with an additional £636 million of funding for the equalisation against the 1% ASC precept and an inflationary uplift.	11,390	15,376
Improved Better Care Fund	Local Authorities are required to pool this grant as part of the Better Care Fund with Health. £63 million uplift on 2021-2022 levels.	14,323	14,761
Market Sustainability and Fair Cost of Care Fund	£162 million for 2022-2023 to support local authorities to prepare their markets for care reform and the move towards a paying	-	929
Total Social Care Grant		25,713	31,066

- 3.7 Of the £700 million, the Government proposes to increase the Social Care Grant allocations by £636 million compared to 2021-2022 levels. This increase includes £80 million for the equalisation of the impact of the distribution of the 1% ASC precept. This takes into account the amount that local authorities are able to raise through the ASC

precept against their assessed need, and then equalises local authorities for their relative ability to raise ASC precept. The remaining £556 million to be allocated directly through the existing Adults Social Care Social Care Grant for inflationary uplift to support integrated working with the National Health Service. Wolverhampton's provisional allocation is £15.4 million, this is an increase of approximately £4.0 million.

- 3.8 The remaining balance relates to the improved Better Care Fund (iBCF). Government proposes to increase the iBCF allocations by £63 million, an inflationary uplift on the 2021-2022 allocations. The MTFS currently assumes that the iBCF is rolled forward based on 2020-2021 allocations, as this grant has remained flat since 2019-2020. Wolverhampton's provisional allocation is £14.8 million, an increase of £438,000.
- 3.9 In addition, as announced on the 7 September in the 'Build Back Better: Our Plan for Health and Social Care', the Government announced their proposal to allocation £162 million to support local authorities in preparing their markets for adult social care reform and to help move towards paying a fair cost of care. Adult Services and Finance are working collectively to estimate the additional costs associated with the reform when compared to the provisional allocation. Wolverhampton's provisional allocation for the Market Sustainability and Fair Cost of Care Fund is £929,000. There are a number of conditions attached to this funding, including the submission of plans to the Department of Health and Social Care by September 2022 for formal approval; detailed guidance and supporting templates are expected to be published in early 2022. Funding for 2023-2024 and 2024-2025 will be conditional upon satisfying these grant conditions.
- 3.10 The Final Budget Report which will be presented to Cabinet and Full Council will be updated to reflect these changes along with updated assumptions on the pressures across social care, including the impact of any fee uplift, the potential impact of the Covid-19 pandemic, the costs pressures associated with supporting additional reablement and discharges from hospital - which are currently funded by Health, and the cost of the Adults Transformation Service redesign. As outlined in the Performance and Budget Monitoring 2021-2022 report presented to Cabinet on 17 November 2021, Adult Services is currently forecasting cost pressures across care purchasing budgets due to an increase in demand.

2022-2023 Services Grant

- 3.11 The Government are proposing to introduce a one- off 2022-2023 Services Grant worth £822 million to support a range of additional services provided by local government. This new grant will provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. This grant also includes funding for the cost of increasing the employer National Insurance contribution by 1.25%.
- 3.12 The Government propose that this grant will not be ringfenced, so local authorities can provide support across the entire sector.

- 3.13 This funding will be excluded from any proposed baseline for transitional support as a result of any proposed system changes.
- 3.14 Wolverhampton's provisional allocation is £5.5 million, of which it is estimated that in the region of £1 million will be used to cover our increased costs in our National Insurance contributions. The MTFS does not assume this new grant for 2022-2023. This new allocation will be reflected in the Final Budget Report to Cabinet and Full Council.

New Homes Bonus

- 3.15 The Government have announced the continuation of the New Homes Bonus (NHB) scheme for a further year with no legacy payments.
- 3.16 The Council's provisional allocation for 2022-2023 has been announced at £1.6 million, which includes an additional £1.4 million. The MTFS did not assume any additional NHB being awarded for growth from 2022-2023 onwards, therefore the £1.4 million allocation represents additional income to the budget for 2022-2023. The updated allocation will be reflected in the Final Budget Report to Cabinet and Full Council.

Other Grants

- 3.17 The Council receives a top up grant to 'top up' funding as the business rates baseline funding level determined by the Government for the Council is greater than the forecast level of business rates that the Council can collect. The Council's provisional allocation of Top up Grant for 2022-2023 has been uplifted by inflation, this is an increase of approximately £697,000.
- 3.18 The Government have announced the continuation of the Lower Tier Services grant for 2022-2023. The Council's provisional allocation is £478,000, this allocation will be reflected in the Final Budget Report to Cabinet and Full Council.
- 3.19 In addition, the Council also receive a number of grants which fall outside the Provisional Settlement. On 20 December 2021, the Holiday Activities and Food Programme (HAF) for 2022-2023 was confirmed. Wolverhampton's allocation is £1.9 million. This is a ringfenced grant to enable local authorities to provide free places at holiday clubs during Easter, Summer and Christmas school holidays in 2022. This will be made available for children who are eligible for and receive benefits-related free school meals.
- 3.20 On 21 December, the Homelessness Prevention Grant allocations for 2022-2023 were announced. The allocations for the grant remain the same as 2021-2022 at £310 million nationally, with a further £5.8 million to cover new burdens funding for those forced into homelessness by domestic abuse. Wolverhampton's total allocation is £915,120.
- 3.21 The allocations for 2022-2023 for the Public Health Grant, Independent Living Fund, Local Reform and Community Voices and War Pension Disregard Grant have not yet been announced by the Department of Health and Social Care. The MFTS currently

assumes these grants will continue at the 2021-2022 level. The MTFS will be updated once confirmation is received.

- 3.22 Government have also recently announced a number of grants for 2021-2022 to support the Covid-19 pandemic. An update on these grants will be provided in the quarterly Performance and Budget Monitoring 2021-2022 report to Cabinet.

4.0 Government Consultation and Updating the System

- 4.1 The Government have released a consultation on the Provisional Settlement with responses to be provided by 13 January 2022.
- 4.2 The data used to assess funding allocations has not been updated in a number of years, dating from 2013-2014 to a large degree, and even as far back as 2000. Over the coming months, Government will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.
- 4.3 Government have announced that they will look at options to support local authorities through a transitional protection. No further details have been provided at the time of writing this report as to what form the transitional protection will take. However, it is anticipated that for those local authorities that see a reduction in their funding following the review, will receive some protection at their current funding levels for a period of time in order to allow them to develop and implemented plans to reduce expenditure. However, as detailed above, the 2022-2023 Services Grant will be excluded from any potential transitional protection.

5.0 Evaluation of alternative options

- 5.1 This report provides Cabinet with the outcome of the 2022-2023 Provisional Local Government Finance Settlement, to consider the impact on the City of Wolverhampton Council and medium term planning.

6.0 Reasons for decision

- 6.1 Cabinet are asked to note the outcome of the 2022-2023 Provisional Local Government Finance Settlement.

7.0 Financial implications

- 7.1 The financial implications are discussed within the body of the report and will be reflected fully in the Budget Report to Cabinet on 23 February 2022 and Full Council on 2 March 2022.

[AS/10012022/V]

8.0 Legal implications

- 8.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any budget reduction proposals.
- 8.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer (CFO).
- 8.3 Section 25 of the Local Government Act 2003 requires the CFO to report to the Council when it is making the statutory calculations required to determine its Council Tax. The Council is required to take this report into account when making its budget decisions. The CFO's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon assessment of all the circumstances considered likely to affect the Council.
- 8.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by the Chartered Institute of Public Finance and Accounting (CIPFA), in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFS, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).
- 8.5 In addition, Section 114 of the Local Government Finance Act 1988 requires the CFO to '... make a report ... if it appears to her that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented':
- a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful
 - b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
 - c) is about to enter on item of account then entry if unlawful
- 8.6 The CFO of a relevant Authority shall make a report under this section if it appears to her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

- 8.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirements for 2022-2023.
[SZ/11012022/P]

9.0 Equalities implications

- 9.1 The Government publish a draft policy impact statement which covers the Government's proposals for the Provisional Local Government Settlement for 2022-2023. It focuses on the impact of the proposals on people who share protected characteristics. Explanation of the measures announced in the settlement can be found in this document.
- 9.2 The method by which the MTFS is developed is governed by the Council Plan priorities, which itself is guided by consultation and equality analysis. All of this will enable Councillors to pay, "due regard" to the equalities impact of their budget decisions at the point in the budget development process. The resulting and final report to Cabinet will contain a supporting equality analysis that will offer information across the whole range of proposals and in doing so enable Councillors to discharge their duty under Section 149 of the Equality Act 2010

10.0 All other implications

- 10.1 There are no other direct financial implications as a result of this report.

11.0 Schedule of background papers

- 11.1 [Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024](#), report to Cabinet on 20 October 2021.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 19 January 2022
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Report title	Housing Revenue Account Business Plan 2022-2023 including Rent and Service Charges	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal, City Assets and Housing Councillor Ian Brookfield, Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Ross Cook, Director of City Housing and Environment Claire Nye, Director of Finance	
Originating service	Housing, Finance	
Accountable employee	Jo McCoy Andrew Bryant Tel Email	Strategic Finance Service Lead – Landlord Services 01902 558433 andrew.bryant@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	16 December 2021

Recommendations for decision:

The Cabinet recommends that Council:

1. Adopts the Business Plan set out at Appendix 1 to this report as the approved Housing Revenue Account Business Plan including:
 - a. The revenue budget for 2022-2023 at Appendix 1 to this report.
 - b. The Capital Programme for 2022-2023 to 2026-2027 at Appendix 2 to this report that includes the following among the proposed investment plans;
 - £118.7 million for new build development
 - £42.6 million provision for estate remodelling
 - £50.4 million to complete the refurbishment of the Heath Town estate

- £79.8 million for programmes to high rise estates to include fire safety improvements, infrastructure replacement, retrofitting of sprinklers and external works.
2. Approves the implementation of an increase of 4.1% to social housing rents in accordance with the Welfare Reform and Work Act 2016 and to give 28 days notice to all secure and introductory tenants of the rent increase from 1 April 2022.
 3. Approves the rates for garage rents and service charges set out in Appendix 3 to this report and formally notifies tenants.
 4. Approves Management Allowances for Managing Agents as follows;
 - Wolverhampton Homes - £40,460,000
 - Bushbury Hill Estate Management Board - £1,780,000
 - New Park Village Tenants Management Organisation - £395,000
 - Dovecotes Tenants Management Organisation - £1,148,000

Recommendations for noting:

The Cabinet is asked to note:

1. The issues raised during the consultation have been communicated to the managing agents and will also be provided to tenants as areas for possible tenant scrutiny during 2022-2023.
2. From 1 April 2020 the Regulator of Social Housing has regulated social rents charged by Local Authorities. The Rent increase at 4.1% is chargeable in line with Government policy set out in the Rent Standard 2020.
3. The Charter for Social Housing Residents: Social Housing White Paper (2020) sets out the principles for a new, fairer deal for social housing residents, focusing on the provision of safe and decent homes, resolving complaints, empowering tenants, tackling stigma and building new homes.
4. The National Building Safety Programme of the Ministry of Housing, Communities and Local Government and the Grenfell Inquiry pending its full outcomes, will impact upon future building safety planning. The Hackett Review 2018 makes recommendations for residential building safety and improvements to be considered as part of all future HRA asset management and improvement planning and the Building Safety Bill introduces regulation seeking greater assurance on the safety of multi-occupied buildings.
5. Asset planning in 2022-2023 will look at the future management and asset planning for non-traditional homes, including high-rise homes.

1.0 Purpose

- 1.1 This report presents an updated Housing Revenue Account (HRA) Business Plan 2022-2023 for recommendation to Full Council which is intended to balance the provision of new homes for rent, whilst continuing to invest in better and safer homes programmes to the existing stock and improving and redeveloping housing estates.
- 1.2 The report also provides, as an integral part of that Business Plan, a proposed HRA budget for 2022-2023, including proposed rents and service charges to take effect from 1 April 2022, and a proposed HRA Capital Programme for the period 2022-2023 to 2026-2027 for recommendation to full Council.

2.0 Background

- 2.1 Since the implementation of Housing Revenue Account self-financing in 2012, the Council has been required to set out its Housing Revenue Account (HRA) Business Plan. The Business Plan is monitored quarterly and reviewed annually to ensure that assumptions remain robust and resources within the plan are sufficient to meet expenditure requirements. Appendix 4 provides more detail on HRA self-financing.
- 2.2 In February 2019, the Secretary of State for Housing, Communities and Local Government gave a direction which set out the government's rent policy for social housing for the next five years and the requirement for the Regulator of Social Housing to undertake the regulation of Local Authority Social Housing Rents, aligning the regulation with that of private-registered providers. The resulting Rent Standard came into force on 1 April 2020.
- 2.3 Key elements of the direction are to restrict rent increases on social and affordable rent properties by up to Consumer Price Index (CPI) plus 1% annually from 2020 for a period of at least five years. CPI is based on the published figure for September of the previous year. The direction also allows discretion over the rent set for individual properties with a 5% flexibility for general needs stock.
- 2.4 On 29 October 2018 an announcement as part of the Government's Budget confirmed that the HRA borrowing cap was abolished completely with immediate effect. The Government issued a determination that revoked the previous determinations specifying local authority limits on indebtedness. As a result, local authorities are now able to borrow for housebuilding in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code.

3.0 The HRA Business Plan 2022-2023

- 3.1 The Business Plan has been reviewed in 2021 and updated to revise planning assumptions on rent increases, interest rates, and right to buy sales. The forecast for 2022-2023 includes a reduction in rental income due to it taking longer to refurbish and re-let empty properties because of Covid-19 working practices.

- 3.2 The number of HRA dwellings is currently around 21,700; of which around 11,900 are houses and bungalows, 5,000 are in medium and high-rise blocks and the balance of around 4,800 are low rise flats.
- 3.3 Around 4,100 of these properties are non-traditional construction of which 1,100 are reaching a stage where it will be uneconomical to continue to maintain them. These properties will form part of a detailed asset strategy and proposed estate regeneration. Therefore, the focus is on maximising resources available to finance capital expenditure to balance the needs of the existing stock, improve and redevelop estates and provide much needed additional social and affordable housing units.
- 3.4 The Business Plan is based on applying a rent increase of CPI plus 1% to social and affordable rents for the next three years, commencing 1st April 2022, in line with government policy set out in the Rent Standard 2020. Based on the CPI figure of 3.1% published September 2021 the rent increase proposed for 1st April 2022 is 4.1%. The same increase is applied to garage rents.
- 3.5 Inflationary increases to budgets have been applied where appropriate and a prudent provision for increases to the bad debt provision, taking into account the challenge Universal Credit has brought to rent collection and the additional impact of Covid-19 on rent arrears.
- 3.6 In terms of service charges, modelling indicates that an increase across all service charges by CPI 3.1% will see full recovery of associated service charge costs.

4.0 HRA Revenue Budget

- 4.1 The number of right-to-buy properties since discounts were increased in 2012 has had an impact on stock numbers, not wholly offset by new build and acquisition of additional stock. However, the rate of decrease has slowed in the last three years. Table 1 below illustrates the decrease in stock numbers over the last five years, an overall decrease of 3.6%.

4.2 Table 1 – Stock numbers over five years

Stock Numbers	2017-2018 Outturn	2018-2019 Outturn	2019-2020 Outturn	2020-2021 Outturn	2021-2022 Forecast
Opening	22491	22,214	21,995	21,926	21,808
Right to Buy sales	(288)	(265)	(228)	(155)	(223)
Other disposals	(5)	-	-	(9)	-
Additions	16	46	159	46	97
Closing	22,214	21,995	21,926	21,808	21,682
Cumulative reduction	(277)	(496)	(565)	(683)	(809)

- 4.3 90% of the management and maintenance budget is spent on Management agents' allowances. These have, in general, been based on a historic calculation and not linked to property numbers. An independent review of the HRA Business plan by consultancy firm Savills in January 2021 confirmed that current management and maintenance budgets within the HRA are comparable with other councils and recommended considering linking allowances to property numbers going forward. Therefore, using current allowances as a base position, future allowances will be based on property numbers with annual inflationary increases. This ensures that management and maintenance costs remain affordable over the life of the business plan.
- 4.4 The 2021-2022 inflationary pay award has not been settled but a pay increase is expected with a further award for 2022-2023 CPI inflation for November 2021 was 4.2% and may reach 5% by the end of the financial year, increasing costs to service providers. Therefore, it is proposed that management allowances per property will be increased by inflation of 3.1% to cover a blend of the increase in pay and general inflation.
- 4.5 The Council is incurring increased costs from the regulatory role which have been reflected in the revenue budget. The retained element of the budgets includes an annual budget of £70,000 for Tenants Scrutiny, a contract has been successfully awarded with service delivery due to commence from February 2022.

5.0 The HRA Capital Programme

- 5.1 The Council wishes to use capital resources to maximise the provision of additional homes as far as possible but also needs to consider and prioritise the needs of the existing stock with particular emphasis on building safety, decency and energy efficiency. As part of a long term, estate-based approach to asset management the remaining life of stock will be taken into account when making investment decisions and alternatives to refurbishment considered where appropriate.
- 5.2 The HRA has sufficient resources for work programmes currently in progress but indications are that it will be challenging to meet all the required stock investment needs and fund stock decarbonisation works in the long term. It is therefore likely there will be a need in the future to prioritise investment decisions.
- 5.3 The construction industry is currently facing unprecedented market conditions with shortages of key building materials coupled with a post-lockdown surge in demand. There are also regional pressures affecting the supply chain and shortages of technical and professional staff. These factors have all combined to increase costs and restrict ability to deliver which has impacted on capital projects and budget requirements.
- 5.4 The programme includes new homes provision of £104.1 million for the next five years from 2022-2023, including £34.2 million set aside for future new build schemes. £20.0 million of this provision has been earmarked to purchase affordable housing developed by WV Living on key future schemes around the city. Proposals will come forward for

member approval on a site by site basis, including the development on the site of the former Northcote school.

- 5.5 The Council's development programme seeks to prioritise the type of housing stock developed in order to increase homes available for those with priority need under the allocations policy, alleviate homelessness and help people to live independently in their own homes.
- 5.6 Alongside the application of HRA capital borrowing and capital receipts, homes will be delivered using grant from Homes England and the Local Enterprise Partnership where appropriate, as well as applying S106 commuted sums for affordable housing arising from private developments in the city.
- 5.7 Development has begun on site for Phase 1 of the Heath Town new build development with Phases 2 and 3 planned to start in 2022-2023. The works are expected to complete in 2024 resulting in 211 new homes.
- 5.8 The Heath Town estate refurbishment managed by Wolverhampton Homes is continuing well, with the first phase (the improvement of the deck-access blocks) now complete. Work commenced on the second phase, which is the improvement of the eight tower-blocks on the estate, in September 2021. This work includes the improvement of fire safety features within the blocks and includes the installation of sprinkler systems. In response to new legislation and the Council's decarbonisation commitments, the work to the estate will include a new energy centre and more efficient heating systems for residents. The budget required to complete the works from 2022-2023 is forecast to be £39.3 million.
- 5.9 The work programmes being carried out on the high-rise estates to install external wall insulation, upgrade balconies and windows, renew the mechanical and electrical infrastructure and improve fire safety and retrofit sprinklers have combined budgets of £79.8 million.
- 5.10 Paragraph 3.3 refers to the 4,100 non-traditional built homes and the detailed Asset Management Strategy that is being prepared to address in what instances these homes will continue to be maintained or replaced, which should also provide some opportunity to make use of unallocated new build funding to bring forward additional homes. This work will be done in consultation with local communities as it progresses.
- 5.11 The programme includes a budget of £41.3 million for estate remodelling, but it is expected that a large proportion of this budget will be required to fund the development programme at New Park Village. A report was approved at Cabinet Resources Panel in February 2021, which set out the progress being made for the New Park Village development. A housing needs analysis is currently being carried out with residents, the results of which will be communicated to an Architect and Master Planning consultant to ensure that the scheme is viable for the Tenants Management Co-operative (TMC) and the right mix of properties is built to adequately meet demand for existing and future

residents who will reside on the estate. The architect procurement is likely to commence early 2022, with a potential start on site for the newbuild towards the end of 2022. TPAS have also recently been appointed as Independent Tenant and Home Advisors on the redevelopment to help draw up a Tenant and Resident's Charter and provide suitable training for tenants and residents as well as ensuring the existing community is empowered in the decision-making process.

- 5.12 The programme also includes £4.5 million for the refurbishment of Bond House, a Council owned city centre commercial building that will be converted into 34 units of supported accommodation and services for single people with a history of rough sleeping. The project will receive government grant funding of £320,000 towards the conversion costs and will be managed by Wolverhampton Homes.
- 5.13 These projects above are all reflected in the five-year HRA Capital Programme in Appendix 1C. The programme will be monitored quarterly and reviewed annually to ensure a balanced budget.
- 5.14 Early work indicates that to make provision in the longer term capital programme to reduce the carbon impact of the housing stock in line with the council's strategic priority and to meet Government targets to bring all greenhouse gas emissions to net zero by 2050, it is likely to add in the region of £700 million to future costs. External funding contributions will be sought to ensure that this does not impact on the ability of the HRA to fund additional homes over and above the requirements to replace the non-traditional properties referred to 4.10.

6.0 Legislative and Policy Changes

- 6.1 On 17 November 2020 the Government published The Charter for Social Housing Residents: Social Housing White Paper, which follows on from the Social Housing Green Paper released in 2018 and sought to set out the issues facing social housing tenants and the actions that could be taken so they are safe, protected, listened to and able to influence how their homes are managed.
- 6.2 The White Paper details the new requirements for social housing landlords, one of the most significant is the strengthening of the Regulator of Social Housing, moving them from a reactive to a proactive consumer regulatory regime. This will require the proactive oversight of the Consumer Standards; regulation which aims to ensure tenants are safe in their homes, given appropriate degree of choice and protections, and can hold landlords to account. This will mean that social housing landlords will be subject to four yearly inspections as well as an annual review of newly introduced KPIs. The White Paper makes clear that the Regulator will be seeking assurance that where a Council contracts out its housing management service, to an ALMO or managing agent, as is the case in Wolverhampton, compliance with the standards remains with the Council. To ensure Councillors are provided with oversight and assurance that the standard is being met, reports are to be provided to Scrutiny Panel on a bi-annual basis from September 2021 onwards.

- 6.3 The White Paper sets out that Government will review the Decent Homes Standard to consider if it should be updated, including how it can better support the decarbonisation and energy efficiency of social homes, and improve communal and green spaces. Nationally Decent Homes funding ceased in 2012, as did the requirement for local authorities to establish alternative models for the delivery of housing and residential landlord services. There are 26 ALMO management arrangements that remain active in the UK in 2021.
- 6.4 In its commitment to supporting more households into home ownership, the White Paper makes clear Government wants to see local authorities make the most of borrowing flexibilities and to innovate to deliver more homes for the future.
- 6.5 Government has said that it will introduce the legislation needed to implement the Social Housing White Paper as soon as it is practicable. The Social Housing Regulator has advised that although the Consumer Standards cannot be implemented yet, social housing providers should not wait for regulation to look at how they can improve services and engagement with tenants.
- 6.6 Government has also published a Fire Safety Bill which puts in place an enhanced regulatory regime for all buildings, including a more stringent regime for the design, construction, day-to-day management and maintenance of higher-risk buildings including high rise. Any significant additional requirements relating to improvements to building safety (including fire safety management), energy efficiency, decency and the planning for Better Homes from 2022 will have implications for the Business Plan period.
- 6.7 The Fitness for Human Habitation Act; came into force in 2019, gives tenants a right to take action in the courts when a landlord fails to maintain a property that is fit for human habitation. The Act covers all existing tenancies in both the social and private rented sectors.
- 6.8 During 2019-2020 the Council and its managing agents led the development of an updated Housing Allocations Policy. Supported by extensive consultation, the updated policy which was adopted by the Council in February 2020, updated the Council's objectives to reflect the need to:
- A. Ensure people in the greatest housing need have the greatest opportunity to access suitable housing that best meets their needs.
 - B. Make use of a range of housing options and tenures to prevent and relieve homelessness.
 - C. Make best use of the Council's and partner registered providers' housing stock.
 - D. Manage applicants' expectations by being realistic about availability of stock, to support them in making informed choices about their housing options, and the extent to which they are able to express reasonable preference.

E. Ensure that the Council's legal duties and corporate responsibilities are met and that the policy contributes to delivering the Council's priorities.

6.9 Following significant changes to the NEC Housing IT system during 2020-21, the new Allocations Policy was applied 28 September 2021, with applicants to Homes in the City supported in moving from the previous system to the new policy.

6.10 Further developments will be made to the way Council homes are allocated to contribute to the 'best use of stock' including; scoping of an Accessible Homes Register, renewal of the Nominations Agreements with Registered Housing Providers and analysis of the use of flexible tenancies for high demand properties, such as purpose build built adapted properties and houses which are four bed or larger.

7.0 Evaluation of alternative options

7.1 The proposed rent increase of 4.1% is chargeable in line with Government policy set out in the Rent Standard 2020. Not applying an increase would reduce the resources available to fund services and the capital programme. The proposed service charges are consistent with existing policy to recover the cost of the service. An alternative option could be to reduce the charges, in which case the cost would not be recovered, and a subsidy required from general rents.

7.2 The Council could decide not to plan to increase capital expenditure in response to the abolishment of the HRA borrowing cap and instead use the HRA net surplus to pay off debt instead of financing borrowing. However, it would not then be using available resources to improve and increase its housing stock as well as the requirement to respond to national building safety requirements.

8.0 Reasons for decisions

8.1 The Council is asked to approve the 4.1% increase to dwellings rent and garage rents and approve the proposed increase to service charges of 3.1% to enable the aspirations in the business plan to be met.

8.2 The Council is required to approve a balanced HRA budget which is based on income forecasts, maintains supervision and management expenditure, provides for depreciation and finances borrowing.

8.3 A risk matrix is attached at Appendix 5. The risk register has been updated to reflect the economic and legislative setting in which it operates.

9.0 Financial implications

9.1 A full listing of non-dwelling rents and service charges is set out in Appendix 3.

9.2 The Business Plan model has been reviewed, assumptions updated and additional capital expenditure built in with the aim of providing sufficient resources to maintain

existing stock and maximising new build. The assumptions in the model were externally validated as part of an external review by Savills in January 2020.

- 9.3 By increasing the rent the HRA is expected to have sufficient resources to fund £2.4 billion of capital works required over the next 30 years, as well as meeting its management and maintenance obligations in the same period and adding to the housing stock. Inflation forecasts have been updated in line with the latest economic forecasts. Due to the possible forthcoming period of economic uncertainty it will be necessary to closely monitor the data underpinning assumptions in the model and forecast the effect of any changes. The five year revenue budget and 30 year forecasts are summarised at Appendix 1
- 9.4 The 5-year Capital Programme is reviewed quarterly and the latest version is shown in Appendix 2. This budget combines the budgets for the High Rise Sprinkler programme and Fire Safety improvements together with the budgets for High Rise Mechanical and Electrical upgrade since the work programmes are being delivered on an integrated estate based basis. As well as adding a further year to rolling replacement programmes the budget allows for the increased scope of refurbishment works at Heath Town.
- 9.5 The Council now has the freedom to borrow to increase the provision of new build housing in line with prudential indicators. HRA borrowing is monitored to ensure that the revenue surplus will always be sufficient to fund forecast interest on debt with a margin built in to allow for interest rate fluctuations.
[JM/23122021/H]

10.0 Legal implications

- 10.1 Statutory requirements as to the keeping of a Housing Revenue Account are contained in the Local Government and Housing Act 1989 ('the 1989 Act'). The 1989 Act includes a duty, under Section 76 of the 1989 Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.
- 10.2 Under Section 24 of the Housing Act 1985, local housing authorities have the power to "*make such reasonable charges as they may determine for the tenancy or occupation of their houses*". Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. This provision conferring discretion as to rents and charges made to occupiers, is now subject to further restrictions arising from the provisions of the Welfare Reform and Work Act 2016.
- 10.3 Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively.
- 10.4 The Council has nevertheless undertaken to consult with tenants before seeking to change rent and other charges.

- 10.5 It is further provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, which also applies in respect of introductory tenancies, that its tenants are notified of variation of rent and other charges at least 28 days before the variation takes effect by service of a notice of variation.

[TC/07012022/G]

11.0 Equalities implications

- 11.1 Notwithstanding the legal requirement to increase rents by no more than CPI plus 1%, there is a difficult balance to be struck in deciding the levels at which rents and services charges are set and the income required to maintain and to improve services and properties. This is based upon a thirty-year forecast which sets out indicative levels of future rental income and forecast changes to expenditure levels. The Council has always operated a very open and consultative approach to service and rent reviews.
- 11.2 Whilst usually face-to-face consultation opportunities would be provided (via the Wolverhampton Homes Get Togethers and Tenant Management Organisation facilitated opportunities), the impact of Covid-19 restrictions in the first half of 2021 and ongoing concerns regarding public events has prevented these opportunities from occurring. The Council faced similar concerns in 2020 and successfully conducted consultation online.
- 11.3 A similar approach was taken this year, on the Council's webpage (22 November – 05 December 2021), and promoted by using social media and email to 10,000 (45.8%) Council tenants. However, unlike the 2020 consultation, there was a limited response.
- 11.4 As part of Council's commitment to involving tenants and other service users in the management of housing services, City of Wolverhampton Council invites views from tenants and leaseholders in respect of rent and service charges and the Council's priorities for 2022-2023.
- 11.5 Themes arising from the consultation included concerns regarding financial struggles, the continuing impact of Covid-19 and high energy costs. Wolverhampton City Council aims to develop a co-ordinated and coherent strategic response to the increased risk of hardship faced by Wolverhampton citizens due to the far-reaching economic and social implications of Covid-19.
- 11.6 The aim of the Council's Financial Inclusion Strategy is to achieve a financially inclusive Wolverhampton where residents have access to a comprehensive range of appropriate financial and money advice services, as well as the knowledge, skills and confidence to maximise their own financial well-being.
- 11.7 The strategy aims to maximise support with essential living costs, gain optimal physical and emotional wellbeing and ensure supportive and connected communities for the people of Wolverhampton. The Financial Inclusion Strategy will provide a robust framework that will enable a shared understanding of the situation, consolidate and develop a range of initiatives to mitigate risk and implement early and preventative

action. The Strategy will provide a single document to ensure that Council Leaders, our partners and the public are regularly updated on progress

- 11.8 An Equality Analysis has been completed and there are no implications to consider further.

12.0 All other implications

- 12.1 The investment and improvement of the city housing stock will have a significant positive impact on the overall city environment. The strategic planning that will take place to ensure that all council homes are as energy efficient as they can be will make a major contribution to ensure that the Council meets its carbon reduction targets.
- 12.2 The investment and improvement of the current city housing stock and the additional housing created by new build programmes will have a significant positive impact on the health and wellbeing of current and future tenants.
- 12.3 As detailed in point 11, consultation opportunities have excluded face-to-face consultation with tenants this year due to Covid-19 restrictions.

13.0 Schedule of background papers

- 13.1 [Welfare Reform and Work Act 2016](#)
- 13.2 [Housing and Planning Act 2016](#)
- 13.3 [The Housing Revenue Account self-financing determinations 2012](#)

14.0 Appendices

- 14.1 Schedule of Appendices

	Housing Revenue Account Business Plan
1	30-year and medium term business plan
2	Capital Programme
	Recommendations concerning income
3	Non-dwelling rents, service charges and other rents and charges
4	Background to the Housing Revenue Account
5	Risk analysis