

## **General Fund Revenue Budget Monitoring**

### **Quarter One 2022-2023 Budget Performance**

#### **Summary**

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

Overall, the General Fund projected outturn for 2022-2023 is currently forecasting an overspend of £5.4 million, mainly due to the forecast in-year cost implication of the proposed pay award which is currently out for consultation. At the time of writing negotiations are still ongoing in respect of the 2022-2023 pay award. The current proposal, if accepted, is forecast to cost £9.0 million in-year. The approved 2022-2023 budget includes a provision of 2% equating to £2.8 million, we therefore have an in year forecast pressure of £6.1 million. It should be noted that, if this proposal is rejected the costs could be much higher putting further pressure on the budget in year and over the medium term.

In order to manage our costs within the approved budget the Council will continue to work to identify in-year efficiencies in order to mitigate the pay award costs. Our work will focus on a number of specific themes. Firstly, we will be looking to identify further targeted in year underspends from across the council. Secondly, we will review budgets held corporately to support new initiatives aligned to corporate priorities, this would likely result in activity being delayed or reduced. We will also review corporate contingencies and assess the risk of reducing these. As a last resort we will consider the use of reserves.

The tables below provide an analysis by directorate and service.

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>Adult Services</b>					
<p>Overall Adult Services is projecting a small underspend of £27,000 (-0.03%). During the budget setting process for 2022-2023, significant cost pressures were forecast for Adult Social Care and, as a result, growth totalling £9.2 million was approved. Appendix 2 provides detail of current forecasts which indicate that, overall, the service is managing costs within the increased budget available. However, specific cost pressures are being reported across Learning Disability and Physical Disability Care Purchasing, which is currently forecast to be offset from efficiencies from across other services. There continues to be uncertainty of the forecast position of Adult Services in 2022-2023 and over the medium term, as the service adjusts to the post-covid environment and also the recent increases in inflation. The redesign of Adult services has commenced and with the aim of addressing any longer term under or overspend relating to staffing, as well as establishing the care market. In December 2021, the Government presented the People at the Heart of Care – Adult Social Care Reform White Paper to Parliament. The paper sets out the 10-year vision for how care will be transformed in England. The Council is currently undertaking a fair cost of care exercise, as prescribed by the Government, with the resulting report to be submitted to Government and published in some form for the local market. The stated aim of this exercise is to ensure local authorities are paying a ‘fair’ cost of care and also to ensure the market is compensated for the changes that charging reform will bring. The guidance states the Council needs to move ‘significantly’ towards paying the fair cost of care over the next three years. Work is ongoing to forecast the potential cost of these reforms, however, local authorities are concerned that the proposed level of funding will not be sufficient to cover the true costs. The Strategic Risk Register will be updated in September to incorporate this risk. In addition, it is also flagged as a risk in the General Fund Budget Risk 2022-2023 at Appendix 4.</p> <p>Further analysis is provided below.</p>					
Adults Assessment and Care Management	5,650	5,619	(31)	(0.55%)	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
Adults Safeguarding	1,123	890	(233)	(20.75%)	The forecast underspend is mainly due to the delay in the introduction of new Deprivation of Liberty Safeguards legislation (Liberty Protection Safeguards) which will require the forecast staffing costs to meet the new statutory duties required of the local authority.
Carer Support	742	679	(63)	(8.49%)	
Community Financial Support	1,629	1,629	-		
Community Support	142	142	-	-	
Director of Adults services and Additional Monies	(6,878)	(6,878)	-	-	
Emergency Duty Team	-	-	-	-	
Independent Living Service	1,731	1,685	(46)	(2.66%)	
Learning Disabilities Care Purchasing	27,155	27,451	296	1.09%	The forecast overspend is due to additional demand for care packages.
Learning Disability Provider	4,984	4,966	(18)	(0.36%)	
Mental Health Assessment & Care Management	7,522	7,503	(19)	(0.25%)	
Older People Care Purchasing	26,413	26,338	(75)	(0.28%)	
Older People Provider Services	3,866	3,838	(28)	(0.72%)	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
Physical Disabilities Care Purchasing	5,519	5,709	190	3.44%	The forecast overspend is due to additional demand for care packages.
Strategic Commissioning – Adults	1,581	1,581	-	-	
<b>Total Adult Services</b>	<b>81,179</b>	<b>81,152</b>	<b>(27)</b>	<b>(0.03%)</b>	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>Children's and Education Services</b>					
<p>Overall Children's and Education Services is projecting an underspend of £1.2 million (-2.33%), due to strong financial management and transformative projects and programmes which have achieved significant and positive changes for children and young people living and learning in Wolverhampton. To date, Wolverhampton has not seen a significant increase in demand on children's social care as a result of the pandemic, however, as with adult services, there continues to be significant uncertainty over the impact of Covid-19 on this service over the short to medium term, and more recently the increased cost of living. Work will continue to model the potential financial effects of the pandemic and the impact of the increase in the cost of living on the service. Savings targets totalling £100,000 have been incorporated into the 2022-2023 budget for Children's and Education Services, these are currently projected to be delivered in full.</p> <p>Further analysis is provided below</p>					
Children & Young People In Care	31,539	31,400	(139)	(0.44%)	A forecast underspend against placement budgets as a result of the robust oversight and management of demand across the service.
Director of Children's Services	652	644	(8)	(1.27%)	
Head of Children's Improvement	1,054	1,023	(31)	(2.94%)	
Headstart	-	-	-	-	
Regional Adoption Agency Consortium	-	-	-	-	
Safeguarding	681	680	(1)	(0.13%)	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
Specialist Support	3,791	3,196	(595)	(15.69%)	The forecast underspend is mainly due to one-off, in year savings from the closure of Key to Inspiration. Cabinet (Resources) Panel on 6 July 2022, received a report on the strategy to develop two new Children's Homes within the City.
Strengthening Families	10,385	9,940	(445)	(4.29%)	The forecast underspend is due to one-off in-year social worker vacancies (partially offset by agency costs) as the service has experienced difficulties in recruiting to these posts. The majority of unfilled posts are expected to be in post by September 2022.
Youth Offending	1,174	1,174	-	-	
Strategic Commissioning – Childrens	1,582	1,582	-	-	
Central Education	(1,174)	(1,174)	-	-	
Director of Education	128	128	-	-	
Early Years	315	315	-	-	
Inclusion Support	1,225	1,225	-	-	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
	Schools	-	-	-	
Education Excellence	810	810	-	-	
Special Educational Needs	(359)	(359)	-	-	
School Business and Support Services	456	456	-	-	
<b>Total Children's and Education</b>	<b>52,259</b>	<b>51,040</b>	<b>(1,219)</b>	<b>(2.33%)</b>	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>City Assets</b>					
Overall, a net underspend of £53,000 (-0.50%) is projected for City Assets, mainly due to projected lower running costs for the Civic Centre. Further analysis is provided below.					
Catering	(117)	(52)	65	(55.56%)	
Cleaning	1,268	1,268	-	-	
Corporate Asset Management	9,315	9,315	-	-	Inflationary pressures in relation to energy costs are currently forecast within this service. This break-even position is after a virement of £491,000 from corporate budgets held to fund increases in utility costs.
Estates and Valuations	(4,884)	(4,884)	-	-	This breakeven position is after a virement of £65,000 from corporate budgets to support loss of income due to the pandemic.
Facilities Management	1,497	1,379	(118)	(7.88%)	The forecast underspend is primarily due to the projection of lower running costs for the Civic Centre.
Project and Works Team – Capital Programmes	166	166	-	-	
Project and Works Team – Maintenance Programme	3,426	3,426	-	-	
<b>Total City Assets</b>	<b>10,671</b>	<b>10,618</b>	<b>(53)</b>	<b>(0.50%)</b>	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>City Housing &amp; Environment</b>					
<p>Overall, a net underspend of £276,000 (-0.90%) is projected for City Housing and Environment. This is mainly as a result of forecast underspends within Waste Services as a result of increased income, reduced costs of waste disposal, along with a reduction in costs within Street Lighting. This is offset in part by forecast cost pressures within Environmental Services, Fleet Services and Transportation. City Housing and Environmental Services include a savings target of £250,000 for 2022-2023, the majority of this target is forecast to be delivered in line with the original plan, with £30,000 currently being reported to be at risk of delivery, based on the original plan. Further analysis is provided below.</p>					
Bereavement Services	(2,050)	(2,104)	(54)	(2.63%)	
Black Country Transport	-	-	-	-	
Coroners Service	364	364	-	-	
Director City Environment	284	284	-	-	
Energy and Sustainability	117	117	-	-	
Environmental Services	6,772	6,903	131	1.93%	An overspend is forecast due to an increase in forecast fuel costs.
Fleet Services	1,698	2,153	455	26.80%	An overspend is projected as a result in increased costs of hiring vehicles, partly offset by additional income. There is a planned fleet replacement capital programme in delivery to mitigate the increasing hire costs.
Highways Maintenance	1,579	1,579	-	-	
Housing	(379)	(388)	(9)	2.37%	
Landscaping	49	49	-	-	
Licensing	-	-	-	-	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
Markets	(196)	(57)	139	(70.92%)	The forecast overspend is mainly due increase in agency costs incurred whilst implementing a restructure.
Operation & Maintenance of Existing Network	844	835	(9)	(1.07%)	
Private Sector Housing	543	545	2	0.37%	
Parking Services	(1,712)	(1,712)	-	-	Parking Services is forecasting a reduced levels of income as a result of lower economic activity post pandemic. A virement of £1.2 million is proposed from corporate budgets to support this shortfall in 2022-2023.
Public Protection	1,884	1,897	13	(0.69%)	
Street Lighting	3,109	2,863	(246)	(7.91%)	This forecast underspend is due to efficiencies in energy costs following the implementation of the LED lighting scheme.

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
Transportation	6,097	6,247	150	2.46%	A virement of £358,000 is proposed to support the increased costs due to demographic growth on Special Educational Needs transport. The service is currently forecasting costs pressures due to an increase in fuel costs. This increase will be monitored, and mitigating actions will be taken were possible to offset this pressure.
Waste and Recycling	11,504	10,656	(848)	(7.37%)	The forecast underspend is due to increased income, reduced costs of waste disposal and efficiency savings, partly offset by additional employee costs and increased fuel costs due to rising inflation.
<b>Total City Housing and Environment</b>	<b>30,507</b>	<b>30,231</b>	<b>(276)</b>	<b>(0.90%)</b>	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>Communications and Visitor Experience</b>					
<p>Overall, the projected overspend of £110,000 (4.57%) for Communications and Visitor Experience is mainly due to forecast overspends within Communications due to a reduction in income within the service. In addition, the saving target of £50,000 which is currently being forecast at risk of delivery, this will be kept under review and updates provided in future reports.</p> <p>Further analysis is provided below</p>					
City Events	641	641	-	-	
Arts and Culture	911	888	(23)	(2.52%)	
Communications	856	989	133	15.54%	An overspend is forecast due to a reduce income within the service. The savings target of £50,000 for 2022-2023 is at risk of delivery. This will be kept under review and an update will be provided in future reports.
<b>Total Communications and Visitor Experience</b>	<b>2,408</b>	<b>2,518</b>	<b>110</b>	<b>4.57%</b>	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>Finance</b>					
Overall an overspend totalling £81,000 (0.52%) is forecast for the year against Finance. This is as a result of forecast overspends within Procurement and Strategic Finance due to the appointment of agency staff covering vacancies whilst recruitment is ongoing. This is offset in part by underspends across Audit Services due to in-year vacancies and underspends on Central Corporate Budgets. The directorate is experiencing difficulties in recruiting to permanent posts across a number of service areas. Finance includes a savings target of £150,000 for 2022-2023, in Central Corporate Budgets, this is on target to be delivered in full. Further analysis is provided below.					
Audit Services	1,810	1,610	(200)	(11.05%)	An underspend is forecast as a result of in-year savings against staffing due to unfilled vacancies within internal audit services and insurance.
Central Corporate Budgets	3,060	2,912	(148)	(4.84%)	An underspend is forecast due to a significant reduction in enhanced pension costs, combined with other lesser underspends against a range of corporate budgets. This service includes a savings target of £150,000 for 2022-2023 – which is being reported to be on target for delivery.
Commercial Services	394	394	-	-	
Finance Director	167	167	-	-	
Procurement Services	857	1,184	327	38.16%	The forecast overspend is due to continued reliance on agency staff as the service experiences difficulties in recruiting to permanent posts. This challenge is faced by procurement teams across the region.

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
Housing Benefit Payments & Subsidy	1,498	1,498	-	-	Forecast pressures are being reported due an increase in temporary accommodation. As part of the 2022-2023 budget setting, this risk was anticipated and in response £750,000 was set aside in corporate to fund forecast pressures. A virement is recommended at quarter 1 from corporate budgets to support this forecast cost pressures, thereby resulting in a breakeven position for this service.
Revenues & Benefits	2,900	2,900	-	-	
Strategic Finance	3,175	3,277	102	3.21%	The forecast overspend is due to the appointment of agency staff in vacancies pending recruitment. Recruitment to vacant posts is currently ongoing.
The Hub	1,787	1,787	-	-	
<b>Total Finance</b>	<b>15,648</b>	<b>15,729</b>	<b>81</b>	<b>0.52%</b>	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>Governance</b>					
Overall a breakeven is forecast for the year against Governance. The Governance Directorate includes a saving target of £100,000 for 2022-2023, this is currently being forecast to be on target for delivery.					
Further analysis is provided below					
Deputy Director of People and Change	133	133	-	-	
Chief Operating Officer	180	180	-	-	
Governance Services	3,324	3,324	-	-	
Health and Safety	262	257	(5)	(1.91%)	
Human Resources	1,871	1,871	-	-	
Legal Services	1,568	1,655	87	5.55%	
Ward Funds	200	200	-	-	
Projects and Change	428	428	-	-	
Equalities	173	173	-	-	
Support Services	4,338	4,256	(82)	(1.89%)	
<b>Total Governance</b>	<b>12,477</b>	<b>12,477</b>	-	-	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>Public Health &amp; Wellbeing</b>					
Overall an overspend totalling £990,000 (18.24%) is projected for the year against Public Health & Wellbeing which is mainly due to an increase in the number of referrals for bed and breakfast accommodation and inflationary pressures on the leisure PFI in relation to utility costs. Further analysis is provided below.					
Business Continuity & Emergency Planning	8	8	-	-	
Commissioning	-	-	-	-	
Community Safety & Community Cohesion	697	697	-	-	
Healthier Places Service	-	-	-	-	
Healthy Ageing	-	-	-	-	
Healthy Life Expectancy	-	-	-	-	
Homelessness and New Communities	1,792	2,473	681	38.00%	The forecast overspend is due to an increase in the number of referrals for bed and breakfast accommodation.
Leisure Services	1,430	1,700	270	18.88%	The forecast overspend is due to inflationary pressures on the PFI in relation to utility costs.
Public Health Business Management	-	-	-	-	
Starting and Developing Well	-	-	-	-	
Local Economy	1,501	1,540	39	2.6%	
System Leadership	-	-	-	-	
<b>Total Public Health &amp; Wellbeing</b>	<b>5,428</b>	<b>6,418</b>	<b>990</b>	<b>18.24%</b>	



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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>Regeneration</b>					
Overall an overspend of £46,000 (1.5%) is projected for the year against Regeneration mainly due to reduction in income within Adult Education and City Planning. In total Regeneration have savings targets totalling £665,000 in 2022-2023, these are reported to be on target to be delivered, with the exception of £13,000 against a target of £30,000 within Adult Education. Further analysis is provided below					
Adult Education	(334)	(321)	13	3.89%	
City Development	541	541	-	-	
City Planning	868	901	33	3.80%	
Director Regeneration	495	495	-	-	
Enterprise	570	570	-	-	
Skills	924	924	-	-	
Visitor Economy	-	-	-	-	
<b>Total Regeneration</b>	<b>3,064</b>	<b>3,110</b>	<b>46</b>	<b>1.50%</b>	

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Service/Budget	Net Controllable Revised Budget 2022-2023 £000	Net Controllable Forecast 2022-2023 £000	Q1 Variance £000	Q1 Variance %	Reason for Variance Q1
<p><b>Strategy</b> Overall an underspend totalling £342,000 (-2.91%) is projected for the year against Strategy, mainly as a result of budget efficiencies within ICTS. In total Strategy have savings targets totalling £200,000 across ICT and Data and Analytics, these are reported to be on target for delivery in full in 2022-2023 Further analysis is provided below</p>					
Customer Services	2,172	2,315	143	6.58%	The forecast overspend is due to an increase in staffing costs due to staff sickness levels and an increase in demand for Blue Badges. To meet the demand, a team has been established to process blue badge applications and respond to queries and provide Blue Badge surgeries in the community. In order to continue with to meet the increase in demand for Blue Badges and processing of desk based assessments and the reduce processing times there needs to be an increase in resources. An update on Blue Badges was presented to Scrutiny with a proposal to increase support on a 12 month trial to measure impact and improve processing times. This cost pressure includes a forecast for these additional resources. The forecast cost of this additional resource can be funded from efficiencies across from across the wider directorate.

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
ICTS	6,613	6,199	(414)	(6.26%)	An underspend is projected as a result of part year vacant positions and additional income from printing. This service also includes a savings target of £150,000 for 2022-2023 which is forecast to be delivered in full.
Data and Analytics	927	927	-	-	This service includes a savings target of £50,000 for 2022-2023, which is forecast to be on target for delivery.
Policy and Strategy	450	324	(126)	(28.0%)	The forecast underspend is as a result of part year vacancies
Organisational Development	1,200	1,254	54	4.50%	
Register Officer	(38)	(38)	-	-	
External Funding and Digital Projects	277	278	1	0.36%	
Strategy	156	156	-	-	
West Midlands Strategic Migration Partnership	15	15	-	-	
<b>Total Strategy</b>	<b>11,772</b>	<b>11,430</b>	<b>(342)</b>	<b>(2.91%)</b>	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
<b>Corporate Accounts</b>					
<p>Overall an overspend totalling £6.1 million (14.60%) is forecast for the year. This is mainly as a result of the projected impact of the proposed 2022-2023 pay award. At the time of writing pay negotiations are still ongoing in respect of the 2022-2023 pay award. As reported to Cabinet in February 2022 and July 2022, the approved 2022-2023 budget includes an annual provision within the pay budget for a 2% pay award. The proposed pay award for 2022-2023 which is currently out for consultation is forecast to cost an addition £9 million, a cost pressure of £6.2 million. The Council will continue to work to identify in-year efficiencies in order to mitigate against this potential cost pressures if accepted and provide updates in future reports. Savings targets totalling £2.7 million, of which £1.2 million relates to a staff vacancy factor and £1.5 million for efficiencies is held within corporate budgets. Excluding the potential impact of the pay award, it is currently forecast that these targets can be delivered in full from across the council.</p> <p>Further analysis is provided below</p>					
Chief Executive and Deputy Chief Executive	397	397	-	-	
Corporate Adjustments	2,342	2,342	-	-	
Corporate Budgets	(13,560)	(10,860)	2,700	19.91%	This service includes savings targets totalling £2.7 million, of which £1.2 million is for a staff vacancy factor and £1.5 million for general efficiencies. This is forecast to be delivered from efficiencies and vacancies held across the Council. However the impact of the proposed pay award creates a corporate pressure.
Apprenticeship Levy	540	540	-	-	
West Midlands Transport Levy	10,523	10,523	-	-	

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Service/Budget	Net Controllable Revised Budget 2022-2023	Net Controllable Forecast 2022-2023	Q1 Variance		Reason for Variance Q1
	£000	£000	£000	%	
Environment Agency Levy	78	78	-	-	
Birmingham Airport – Rent	(69)	(69)	-	-	
Treasury Management	38,614	35,891	(2,723)	(7.05%)	An underspend is forecast against the Treasury Management budget as a result of rephasing of the capital programme.
Central Provision Pay Award costs	2,881	9,001	6,120	212.43%	At the time of writing, negotiations in respect of the pay award for 2022-2023 are ongoing. However, the proposed pay award for 2022-2023 is in excess of the 2% provision built into the 2022-2023 budget. The Council will work to identify in-year efficiencies in order to mitigate against this cost pressure. Updates will be provided in future reports.
<b>Total Corporate Accounts</b>	<b>41,746</b>	<b>47,843</b>	<b>6,097</b>	<b>14.60%</b>	

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