

<b>Report title</b>	Performance and Budget Monitoring 2022-2023	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Obaida Ahmed Resources and Digital City	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Tim Johnson, Chief Executive	
<b>Originating service</b>	Strategic Finance	
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<b>Report to be/has been considered by</b>	Strategic Executive Board	25 October 2022

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### Recommendations for decision:

The Cabinet is recommended to:

1. Approve the establishment of supplementary expenditure budgets for 2022-2023 as detailed in section 7.0.
2. Approve the use of £380,000 from the Budget Contingency Reserve as detailed in paragraph 8.4 and the establishment of associated supplementary budgets.
3. Approve the use of £80,800 from the Regeneration Reserve as detailed in paragraph 8.5 and the establishment of associated supplementary budgets.
4. Approve the use of £95,000 from the Digital Inclusion Reserve as detailed in paragraph 8.6 and the establishment of associated supplementary budgets.

5. Approve the contribution of £285,800 to the Licencing Reserve as detailed in paragraph 8.7.
6. Approve the use of £116,000 from the Our Technology Reserve as detailed in paragraph 8.8 and the establishment of associated supplementary budgets.
7. Approve the use of £64,000 from the Private Sector Housing- Civil Penalties Reserve as detailed in paragraph 8.9 and the establishment of associated supplementary budgets.
8. Approve the use of £2.0 million from the Public Health Reserve as detailed in paragraph 8.10 and the establishment of associated supplementary budgets.
9. Approve the write-off of one sundry debt totalling £13,160.87 as detailed in Appendix 8.
10. Approve the write-off of two Non-Domestic Rates (NDR) debts totalling £19,511.33 as detailed in Appendix 9.
11. Approve 31 virements totalling £154.6 million, for transfers within directorates, as detailed in Appendix 10.
12. Approve the Strategic Risk Register which is shown at Appendix 3
13. Approve that authority is delegated to the Cabinet Member for City Housing and Assets and the Cabinet Member for Resources and Digital City, in consultation with the Director of City Housing and Environment and the Director of Finance to negotiate and finalise any changes required to the 2022-2023 management fee payable to Wolverhampton Homes and approve any necessary virements.
14. Approve that authority is delegated to the Cabinet Member for Resources and Digital City in consultation with the Director of Finance to approve any necessary virements required to support the pay award and allocation of the Efficiency target and Vacancy factor held corporately.

### **Recommendations for noting:**

The Cabinet is asked to note:

1. That the General Fund projected outturn for 2022-2023 is currently forecast to be an overspend of £1.5 million due to the forecast impact of the proposed pay award for 2022-2023 as detailed in section 4.
2. The forecast outturn position for the year for the HRA shows a pressure against the approved budget of £3.2 million, as shown at Table 2 and in detail at Appendix 5.
3. That 393 Council Tax accounts totalling £256,204.26, as detailed in Appendix 7, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
4. That 18 Non-Domestic Rates (NDR) debts totalling £148,382.50, as detailed in Appendix 7, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

5. That 11 housing benefit overpayments totalling £2,487.92 as detailed in Appendix 7, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
6. That one sundry debt account totalling £168.00, as detailed Appendix 7, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
7. The performance against the key indicators as set out in Appendix 1.

## **1.0 Purpose**

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

## **2.0 Background**

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

## **3.0 Performance Update**

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

3.4 Internally, the Council is evolving the way it performance manages services, with the creation of a centralised Data and Analytics team which is ensures performance data and intelligence is readily available to all staff and is analysed and reviewed regularly by operational and strategic management.

### **Our City: Our Plan Performance**

3.5 Our City: Our Plan sets out the six overarching priorities which will guide the Council's approach to ensure Wulfrunians will live longer, healthier lives, with an additional priorities looking at how the Council operates. These are;

- Strong families where children grow up well and achieve their potential
- Fulfilled Lives for All With Quality Care For Those Who Need It
- Healthy, Inclusive Communities
- Good Homes in Well-Connected Neighbourhoods
- More Local People into Good Jobs & Training
- Thriving Economy in all Parts of the City
- Our Council

3.6 A performance framework has been created to monitor performance against these priorities and includes two different types of indicators, city indicators and impact indicators.

3.7 City indicators are high level indicators which although the council can influence, may not be able to directly affect. Data on these indicators is published nationally, to enable a comparison against regional, statistical, and national averages. City indicators are high level indicators which although the council can influence, may not be able to directly affect. Data on these indicators is published nationally, to enable a comparison against regional, statistical, and national averages. Impact indicators demonstrate how council interventions are working to improve outcomes for residents against key priorities.

3.8 In total there are currently 56 KPI's in the Our City: Our Plan performance framework. Of these;

- 33 have shown improvement or have seen similar performance
- 17 are yet to be update in the YTD (8 of these in Healthy Communities)
- 6 saw a decrease in performance

3.9 This report sets out a summary of performance against city and impact indicators, relevant financial information, and key areas of activity. A dashboard of the performance against impact indicators is included at Appendix 1.

### **Strong families where children grow up well and achieve their full potential**

3.10 Our ambition is that children and young people have the best possible opportunities to fulfil their potential. As a result, we are investing to connect young people to

opportunities, support our schools to improve standards, ensure education provision is inclusive whilst continuing to support our most vulnerable young people.

- 3.11 Supporting our young people, especially those that need support is a strength of the Council, as seen through the recent 'Good' rated OFSTED inspection for our Childrens Services, that included an 'Outstanding' judgement for leadership and management.
- 3.12 The Council has seen decreasing numbers of children open to the services against a backdrop of increasing numbers regionally and nationally. This performance reflects the outcome of targeted work, to ensure that children are supported in line with their assessed needs and are receiving services at the right level for as long as is necessary to their safety and wellbeing.
- 3.13 Referrals into Social Care have fluctuated during the last 12 months with an average of 320 referrals a month. At the end of the quarter the rolling twelve month period reflected a re-referral rate of 21.8%, slightly higher than the rate of 20.9% reported at the end of the last quarter.
- 3.14 Against decreasing numbers of Child Protection cases, the percentage that are repeat cases has increased in the quarter however is still below national and regional comparators.
- 3.15 Placement stability of our children in care remains an area of strength for the Council. 5.3% of our children and young people in care had 3 or more placements in the year. This performance is stronger than national, regional and statistical averages and Wolverhampton is in the top quartile of national performance. Wolverhampton also performance favourably against the long-term stability of placements. When older young people leave care, the Council support them to find suitable accommodation. 94% of our care leavers are currently in suitable accommodation, substantially above national and regional averages.
- 3.16 The Strategic Risk Register recognises the risk associated with our responsibilities for Safeguarding Children and the mitigations in place, details of Risk 2 on this area can be found in Appendix 3.
- 3.17 The percentage of Wolverhampton's care leavers aged 19-21, in education, training or employment saw a significant decrease in the 2020-2021 year, a reduction of 11% to 46% from the previous year's performance. This drop in performance was linked to the effect of the pandemic. However, current performance at the end of Quarter 2 shows Wolverhampton with a rate of 57.1%, a higher percentage of care leavers in EET than the latest published percentage for the West Midlands, statistical neighbours, and the national average.
- 3.18 The impact of 'DIVERT' and the use of Outcome 22 on Wolverhampton's First Time Entrants into the youth justice system has already shown significant impact. At the end of Quarter 2 the rate per 100,000 youths aged 10 -17 years had reduced from 201 at the end of the last financial year to 116. We expect this trend to continue, and if young

people successfully complete their Outcome 22 interventions, this will have a significant impact on the formal decriminalisation of young people in Wolverhampton.

- 3.19 There has been a steady and sustained improvement in education outcomes across the City. The Education Excellence Strategy was launched September 2021 and built on the previous School Improvement Strategy. The new Strategy brought a similar response to Early Years settings as for schools.
- 3.20 The city continues to see an increase in the percentage of schools rated good or outstanding by Ofsted, and at quarter end was at 88%, above the national average. Ensuring inclusivity in access to this high standard of education remains a key priority. At quarter end, 89.9% of children and young people from an ethnic minority background were attending a good or outstanding school. The percentage of early years and childcare settings rated good or outstanding is slightly higher than the school's rate at 92%, consistent with the previous quarter end and slightly lower than statistical neighbours (96%).
- 3.21 There has been a sustained improvement in the percentage of 2-year-olds benefitting from funded early education in the last 12 months by 11%, however this remains lower than west midlands, statistical neighbours and national average. Since 2019 the direction of travel has been increasing.
- 3.22 The percentage of 16 – 17 year olds who are EET has decreased, this has been linked to the end of the school term and changes in education settings creating a lag in recording of new settings. Data will be tracked through October and November to track ensure expected improvements are seen.
- 3.23 However, 16 – 17 year old EET levels for those with SEND has improved. This is linked to targeted work through Connexions Improvement Advisors so the pathways are smoother during transition between settings and in turn recording of data is improved.
- 3.24 The authority is working on a new Education and Skills strategy to ensure opportunities are maximised across both areas and to support better outcomes for young people.
- 3.25 Educational attainment data is expected to be released in time for Q3 report.
- 3.26 Regarding financial performance, Children's Services and Education is currently forecasting an underspend of £1.1 million, due to strong financial management and transformative projects and programmes which have achieved significant and positive changes for children and young people living and learning in Wolverhampton. 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. Further financial analysis is included at Appendix 2

- 3.27 There are currently no specific savings targets for this service area built into the Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 which was reported to Cabinet on 19 October 2022, however, based on current projections it is forecast that the budget could be reduced in future years without impacting on service delivery. This will be kept under review and updates provided to Cabinet in future reports.
- 3.28 Maintained schools are required to submit budget plans detailing their expected income and planned spending levels at two points in the year; 31 May and 31 October. At the end 2021-2022, maintained schools had balances totalling £15.6 million. 40 schools were identified as having balances above recognised thresholds detailed in the local scheme. In addition, there are three schools with anticipated deficits at the end of 2022-2023. Actual end of year balances for 2021-2022 and the latest projected balances in those submitted budget plans for 2022-2023 are shown at Appendix 6, along with details of the processes in place to review deficit and surplus balances.

### **Fulfilled lives with quality care for those that need it**

- 3.29 The Council continues to provide support to those facing hardship, working with our partners to keep our city safe and build resilience to ensure all our communities can thrive.
- 3.30 Social care performance remains an area of strength in the city. Current performance, taken from the initial results of the 2021-2022 statutory returns for Adults Social Care, shows improvements or sustained strong performance against all key indicators.
- 3.31 At the end of October 2022, the NHS released the latest results from the Adult Social Care SALT return. Performance from this return showed Wolverhampton had seen strong improvements across services.
- 3.32 Wolverhampton Adult Social Care adopt a strengths-based approach to social work, supporting young people and adults to be as in control of their own lives as much as possible. This was advocated by 81.6% of residents in the most recent Adults Social Care Survey. This result saw Wolverhampton move from 120<sup>th</sup> to 14<sup>th</sup> ranked Authority and in the top quartile of national performance.
- 3.33 A focus of Adult Social Care is ensuring people access the right support at the right time to keep or regain their independence. People are always asked about what is important to them to make them feel safe and secure. This is reflected during the most recent survey where the indicator demonstrated strong performance at 88.3%, reporting improvements since the last survey. This increase saw Wolverhampton move from 111<sup>th</sup> to 48<sup>th</sup> highest ranked Authority.
- 3.34 The Council has seen an increase in performance in terms of reablement, with 77% of residents aged 65 or over remaining at home 91 days after discharge from hospital at quarter end. Although this indicator shows much improvement, Wolverhampton is behind the most recently published data for statistical neighbours, West Midlands, and the



national average. Work continues with health colleagues to continue the upwards trend in performance to ensure progress against comparator averages.

- 3.35 The percentage of adults with learning disabilities in paid employment has experienced a slight drop in performance to 5.1% from 5.4%, it does however compare favourably to the most recently published data for the West Midlands and national average. A new In House Supported Employment Team has been established which will target improved performance in this area.
- 3.36 The risk associated with our responsibilities for Safeguarding Adults can be found in risk 3 of the Strategic Risk Register in Appendix 3.
- 3.37 During the budget setting process for 2022-2023, significant cost pressures were forecast for Adult Social Care and, as a result, growth totalling £9.2 million was approved. Appendix 2 provides detail of current forecasts which indicate that, overall, the service is currently forecasting an underspend of £1.2 million. However, there continues to be uncertainty on 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 alignment of staffing resources, as well as stabilising the care market. Further information is provided in Appendix 2.
- 3.38 During the winter months each year, we see an increase in the cost of providing social care, referred to as 'Winter Pressures'. It was announced in September that the government would be making available a grant of £500 million to free up hospital beds and bolster the Social Care workforce, when the Council's allocation is known this will be used to fund additional services across Adult's through the remainder of 2022-2023. Current assumptions assume any additional costs will be fully funded from grant.
- 3.39 The Performance and Budget Monitoring report reported to Cabinet on 7 September 2022, provided details on the Government's white paper 'People at the Heart of Care – Adults Social Care Reform' and the implications of Wolverhampton agreeing to be a 'trailblazer'.
- 3.40 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 3 years.
- 3.41 Work is going 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 associated costs.
- 3.42 Due to the uncertainty surrounding public sector spending, in particularly health and social care reforms it is not yet clear whether additional funding will still be made

available in the next financial year for the fair cost of care implementation in which case CWC would have to fully fund any fee uplifts for providers in 2023-2024. This will be kept under review and updates provided in Cabinet in future reports.

- 3.43 Risks 5 and 18 of the Strategic Risk Register recognise the pressures in our provider market, details can be found in Appendix 3. In addition, the risk of grant funding not being sufficient to cover the costs of the reform is flagged as a risk in the General Fund Budget Risk 2022-2023 at Appendix 4.

### **Healthy, Inclusive Communities**

- 3.44 Much of the data captured for the Healthy, Inclusive Communities indicators date back to 2020. During the pandemic, Public Health England were understandably unable to produce updates non-Covid related health indicators. This means although these are key priorities for the authority with many interventions in place, we are currently unable to fully reflect their effect against the national landscape. As it remains unclear when the national data will be available for release and comparison, measures are being introduced so that this data can be collected at a local level that shows the impact of interventions.
- 3.45 It is also important to note that the indicators within the section require a whole City approach to ensure positive outcomes. As city level indicators, we understand that the Council can influence improved performance but is not fully able or responsible to do so without the work and support of wider partners and stakeholders.
- 3.46 The Council has continued to work with partners to support the roll out of the Covid-19 vaccination. At quarter end 73.4% of the adult population of Wolverhampton were vaccinated, a plateauing of the figure. Further to this, almost 94% of our residents aged 80 or above, 89% of our most clinically vulnerable residents and 96% of our care home residents are vaccinated ensuring protection to those most vulnerable.
- 3.47 The data for the over 40 health check works on a rolling 5-year average. A slow uptake in the City at the start of the first year is lowering the 5-year average value to just below a quarter (25.8%) of over 40 year olds attending for the offered health check. Data for the individual quarter (Q2 2022/23) shows Wolverhampton's performance above national averages. In forthcoming quarters, the Wolverhampton five year average will show a significant improvement as the early years take up will no longer be included in the calculation. Increasing NHS health check activity to return to pre-pandemic, top quartile levels is an ambition of the One Wolverhampton Living Well Group. The latest quarterly activity demonstrates positive progress, with current uptake above the England average.
- 3.48 Regarding the financial performance, current forecasts indicate that Public Health and Wellbeing is forecasting a net overspend of £807,000. £225,000 of this pressure across Leisure services due to reduced income from catering services and inflationary pressures on the leisure PFI contract in relation to utility costs. £573,000 is due to costs associated with temporary housing accommodation which will be considered in paragraph 3.60.

3.49 Further financial analysis can be found in Appendix 2.

### **Good home and well-connected neighbourhoods**

- 3.50 At the end of September 2022 there had been 530 new builds completed within the city, a reduction on the previous period. It is anticipated that the number of new build completions will fluctuate across the period due to the nature of the construction sector, as there will be times when large new build projects are in development and will not contribute to each quarter's data. The service remains on target to achieve the three year completion rate and are currently in the process of developing a solution to track their progress against the longer plan, rather than reporting the variations across the period.
- 3.51 Net additional dwellings within the city have also reported a reduction to 614 when compared to 818 during the previous period, linked to an increase in the number of Right to Buy applications reducing the council stock and some small-scale demolitions.
- 3.52 The indicator for housing affordability uses data on house prices and annual earnings to understand the affordability ratios for different areas. The higher the ratio, the less affordable the house prices were when compared to the earnings of residents. At the end of Q1 Wolverhampton's ratio increased from 5.7 to 6.2 indicating that housing has become less affordable. This trend is likely to be seen in many local authorities across the country as house prices are increasing faster than salaries are. Wolverhampton is currently ranked 276th for this indicator, showing that comparatively housing is more affordable in the city.
- 3.53 Wolverhampton's percentage of dwelling stock vacant in the city remain consistent at 3.1%. between 2020 and 2021. It is slightly higher than the statistical neighbour average with Wolverhampton recording more vacant dwellings than the average for other statistical neighbours. Work continues to reduce the void turnaround time and the number of long-term empty privately owned properties.
- 3.54 The indicator for the energy efficiency of housing stock shows an increase of ten when compared to the previous year. The score for this indicator is generated based on data about a building's energy features, with 100 being the most efficient. Wolverhampton is currently at a rate of 65, lower than statistical neighbours. Continuing the same trajectory will see Wolverhampton reach the next quartile rate of 69. The energy performance of privately homes may have affected this increase as homeowners do not always have the means to invest in energy efficiency improvements to their homes, therefore affecting the energy performance of the property. The Council has secured funding from the Department for Business, Energy and Industrial Strategy to support fuel poverty households with retrofit measures to increase the energy performance of the property.
- 3.55 The percentage of major planning application decisions made within 13 weeks or agreed timescales was 100% in Quarter 2 2022/23. Planning applications increased nationally by around 20% over the past two years. Whilst this presented challenges the service has managed the increased workload and is processing planning applications effectively,

focusing on quality customer service with applicants (developers), those impacted by proposed development and local Councillors.

- 3.56 Wolverhampton's total crime recorded per 1,000 population decreased from 132 to 95 over the past year. This reduction sees Wolverhampton ranking lower than its statistical neighbours. The focus remains on reducing crime types with the highest risk and impact, with the figures adversely affected by volume crime which has increased across the West Midlands following the easing of Covid restrictions.
- 3.57 Current performance for the percentage of fly tipping incidents resolved in five working days has increased by 1.5% to 77.5%. A joint project group with environmental health and public health based officers has been created to explore additional ways to reduce the levels of fly tipping across the City, whilst continuing to respond to reports from residents. For those streets and locations where, fly tipping is most prevalent, the promotion of the new walk in household waste and recycling centres and the bulky waste collections as an alternative to fly tipping continues. The development of more reactive CCTV placement is currently underway as part of the smart city agenda.
- 3.58 The percentage of carriageways classed as high quality continues to increase. When a carriageway is assessed as high quality it is given a green rating with the percentage of carriageways in the city assessed as high quality improving across all road types with the largest increase of 5% for C Roads. A and B roads increased by 1%.
- 3.59 Regarding financial performance, City Housing and Environment overall are projecting a net overspend of £371,000. This is mainly as a result of cost pressures within Fleet Services, Transportation, Markets and Highway maintenance. Cost pressures are being seen within Transportation mainly due to increasing demand on passenger transport services for client transport and additional vehicle hire. Services are mitigating these pressures by continuing to drive efficiencies in delivering this statutory service and minimising the reliance on hire vehicles and external providers. These costs pressures are being offset, in part by underspends within Waste Services as a result of increased income, reduced costs of waste disposal, along with a reduction in costs within Street lighting.
- 3.60 During the last financial year the council saw budget pressures in relation to temporary and supported accommodation. Wolverhampton Homes have seen a large increase in the number of homeless people being placed in temporary accommodation due to a number of factors including an increase in the cost of living, increase in people being evicted from the private sector and increased numbers of families being asked to leave due to relationship breakdowns. An action plan is being developed that looks at increasing the amount of local authority stock utilised as temporary accommodation, increased preventative work and increased access to the private sector which will assist in mitigating the number of people requiring temporary accommodation as well as the increase in cost of this provision. The impact was specifically felt in relation to net Housing Benefit costs which are held under the Finance Directorate. In quarter 1,

£750,000 growth built into Corporate Contingency in anticipation of ongoing pressures was vired to the service to cover these costs. However, updated projection indicate that these costs have increased, and at quarter 2 an overspend of £394,000 is forecast within Finance due to an increase in temporary, supported and exempt accommodation where full subsidy grant is not received. In addition to Housing Benefit costs, we are also seeing a cost pressure in temporary housing budgets (held under Public Health and Well Being) of £573,000. Further financial analysis is included in Appendix 2.

- 3.61 As reported to Cabinet on 19 October 2022 in the Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026, there continues to be a number of emerging pressures, including that in relation to legislation around environmental protection which could result in additional costs within our energy for waste plant. Work is ongoing to determine these potential costs and updates will be provided to Councillors in future reports.
- 3.62 The Housing Revenue Account (HRA) is forecasting a pressure against the approved budget of £3.2 million, this result in a forecast redemption of debt. The Performance and Budget Monitoring report presented to Cabinet on 7 September 2022, reported the uncertainty around the cost of inflation and the impact of the proposed pay award for 2022-2023 on the managing agents. Wolverhampton Homes in particular, having a substantial workforce and repairs budget have reported pressures. Work has been ongoing to estimate the extent of the potential cost increases, and it is currently forecast that these costs are in the region of £2.0 million. Further detail is included in section 6 and Appendix 5.

### **More local people into good jobs and training**

- 3.63 Historically Wolverhampton has had consistently higher unemployment claimant count rates than the national average. These rates have been exacerbated by the pandemic and subsequent period.
- 3.64 A whole city approach is needed to improve outcomes for our residents in this area. Whilst the Department of Work and Pensions are the lead agency in this area, the Council are working hard to influence improved processes and performance across the system.
- 3.65 The Council has played a leading role in bringing together key stakeholders in this area including the Department for Work and Pension, education provides, schools, City of Wolverhampton College and local businesses and employers.
- 3.66 Since March 2021, Wolverhampton has seen a 3.20% reduction in the number of people claiming unemployment benefits (16-64). However, at quarter end Wolverhampton had the 2nd highest rate for overall unemployment. Between Q1 2022 and Q2 2022, the rate in Wolverhampton has remained at 7.4% against a small decrease in the national trend.

- 3.67 Wolverhampton has the highest Claimant Count rate for 18-24 year olds nationally. The number of 18-24 year olds claiming unemployment related benefits has reduced over the last 12 months, although has seen small increases in the last quarter.
- 3.68 However, there continues to be an increase in the number of jobs created or safeguarded by the city investment team. Successes in this period include Goldilock (50 jobs) and Nant (60+ jobs) whilst Salisbury Poultry and Compton Care are also creating more jobs.
- 3.69 The Council continues to increase its numbers of apprentices and graduates, with a new cohort of graduates starting in September, including the first 'Change 100' placements for graduates with special educational needs.
- 3.70 The Strategic Risk Register details the risk of high unemployment in the City and the work in place to mitigate this, Risk 9 can be found in Appendix 3.
- 3.71 The Council wants to ensure that all staff have access to ongoing training and development through the apprentice levy. Last year the Council were able to spend 84% of its levy an increase from 68% during the previous period. The apprenticeship levy can only be spent on qualifications and not employment, funding the continuous development and the upskilling of staff. The Council has also run many dedicated programmes to aid the progression of minority groups within the local authority.
- 3.72 Regarding financial performance, the Regeneration Directorate, which includes the Skills service, is projecting a net overspend of £155,000. Further analysis is shown at Appendix 2.

### **Thriving Economy in all part of the City**

- 3.73 Post-pandemic, it is more important than ever to deliver against our ambitious plans to transform and reimagine our city, conscious of the changes in how we work, live, travel and spend our leisure time. We continue to deliver our plans to be an events city building on our strong cultural offer and drive investment into our communities, particularly focussed on our council's climate change commitment to be next carbon neutral by 2028.
- 3.74 Latest published data shows that Wolverhampton is in the second highest quartile of performance for businesses that survive over one year. Latest data shows that over 91% of businesses in Wolverhampton survive over one year and Wolverhampton is very close to being in the highest quartile of performance. Comparative data does, however, relate back to data collated pre Covid in 2019, though, a recent study by the School of Marketing named Wolverhampton as one of the top three places in the country to launch a new business.
- 3.75 The city has continued to see high numbers of new business start up in the city and the council's support for this includes the launch of Ignite, a free to use business and enterprise hub, and a commission with Access 2 Business who support people some of whom have previously been unemployed and struggling to find a route to start their businesses.

- 3.76 In the last quarter the Council supported 98 businesses through a combination of business support, tailored programmes and business reviews, remaining comparable to performance during the previous quarter. Current business support is undergoing significant transformation as EU funded programmes come to a close. The council is working with key partners and stakeholders including the WMCA to establish a new business support programme, which will meet the needs of the businesses in the city.
- 3.77 Risks 1 and 8 of the Strategic Risk Register in Appendix 3 identify the specific risks associated with businesses closing and the city wide regeneration.
- 3.78 Throughout the quarter, 11 new investment opportunities were generated. The successes in this period include Goldilock who have recently located at Wolverhampton Science Park who have relocated 25 staff and will create an additional 25. Goldilock are receiving support from the City Investment Team alongside the West Midlands Growth Company. Another investor at the Science Park during this period is Nant, a specialist provider of water safety services, whose HQ has moved from Bilston. This investment sees the safeguarding of 52 jobs in the city and the creation of 10 new posts.
- 3.79 There has been a decrease in year on year activity in retail and recreational settings. However, with travel restriction still in place last summer, this decrease is potentially linked to holidays, data shows more people went abroad in 2022 than 2021. This data comes to an end in October 2022.
- 3.80 An additional 4 rapid charging electric car points have been installed across the City during Quarter 2 increasing the number to 47. Further to this there has been the introduction of two 150kw rapid charge points offering higher levels of charge. Plans are also being finalised to procure an operator to deliver 80 charge points to cover the infrastructure requirements up to 2025 as defined in the Black Country Ultra Low Emission Vehicle Strategy.
- 3.81 Wolverhampton's full fibre coverage has increased significantly since last year from 6% to 30.2% following a series of initiatives such as Local Full Fibre Network, barrier busting activity and initiatives such as block wayleaves to support the rollout on housing estates. This indicates positive performance, however compared to other local authorities it is still low. The deployment of a new full fibre network (to be completed by 2025) and upgrades to existing networks to full fibre by other infrastructure providers is rapidly improving performance and puts the city on track to significantly improve its quartile position. Gigabit coverage in the city is now at 93%.
- 3.82 Regarding financial performance, as mentioned above, the Regeneration Directorate which includes Enterprise, is projecting a net overspend of £155,000. Further analysis is shown at Appendix 2.

## **Our Council**

- 3.83 To deliver against our key city priorities, the Council continues to become more efficient and effective through ongoing improvements in relation to assets, use of data, technology and digital, our people and money.
- 3.84 There has been a 0.09% reduction in sickness absence (excluding Covid) during between Quarter 2 2021-2022 and Quarter 2 2022-2023, with mental health and musculoskeletal issues recording the highest issues. Preventative support is offered through a wide range of methods such as practical, emotional and mental wellbeing support, including financial wellbeing via our employee assistance programme, confidential counselling, and access to our 60 Mental Health First Aid practitioners. Other training and support includes manual handling, Toolbox talks, Workstation and Homeworking risk assessments supported with reasonable adjustments to working arrangements and the provision of specialist equipment. Access to Occupational Health practitioners and Physiotherapists is available quickly and health benefits such as subsidised gym membership and cycle to work schemes are also promoted
- 3.85 The Employee Turnover rate for 2022-23 Quarter 2 was 3.54%, an increase of 0.78 percentage points when compared to the previous quarter. Published data available for other local authorities across England shows that the turnover rate for Wolverhampton in 2021-2022 Quarter 4 was lower than the national average. The service continues to take proactive measures to address the national issues associated with recruitment and retention with the creation of a HR jobs site that showcases the careers, rewards, benefits, people offer and culture of the council, engaging with the workforce to review the our people offer including different ways of working, continuously reviewing the health and wellbeing offer and continuing to embed a culture of fairness and inclusivity.
- 3.86 The Mean Gender Pay Gap for Council Employees as of March 2021 decreased by 0.20 percentage points from the previous year. The largest pay gap occurred within the upper pay quartile with a negative pay gap shown in the lower middle pay quartile. The Gender pay gap for March 2021 remains below that of some other local authorities in the region.
- 3.87 The Mean Ethnicity Pay Gap for Council Employees as of March 2021 decreased by 0.42 percentage points from the previous year, with employees from ethnic minority groups earning on average 76p less per hour than white employees. The pay gap between employees from ethnic minority groups and white employees continues to be more prominent for female employees than for male employees. There is no direct comparison to other local authorities at this time as there is currently no statutory requirement to publish this.
- 3.88 Equality, Diversity and Inclusion is at the heart of everything the council does. HR monitor workforce equalities across all areas of employment on a continuous basis and will continue to work in partnership with the Equality, Diversity and Inclusion team, the appointed equalities officer, and in consultation with our people and the employee forum for Race, Religion and Belief to develop future actions to address inequalities.



- 3.89 The average customer services wait time decreased by 33 seconds between Quarter 1 and Quarter 2 2022-2023. During this period Customer Services reopened face to face services, including surgeries for Schools and Blue Badges. At the same time extra resources were allocated to Taxi Licensing calls, one of Wolverhampton's highest call volume lines, which has had a direct impact in lower waiting times.
- 3.90 The Council is due to launch its own ongoing survey based upon the regional LGA Resident Satisfaction Polling so that the satisfaction of residents can be assessed and analysed against regional and national averages.
- 3.91 In line with our commitment to the Wolverhampton Pound, the number of local businesses the council spent with increased to 467 Wolverhampton based companies from 451 between Quarter 4 2021-2022 and Quarter 2 2022-2023.

#### **4.0 Quarter Two 2022-2023 Budget Performance**

- 4.1 On 2 March 2022, the Council approved the net budget requirement for 2022-2023 of £267.2 million for General Fund services.
- 4.2 Overall, the General Fund projected outturn for this year is currently forecasting an overspend of £1.5 million, mainly due to the forecast in-year cost implication of the potential pay award. Since reporting to Cabinet on 7 September, work has been ongoing to identify efficiencies and underspends to fund the projected costs pressures of the 2022-2023 pay award and mitigate the need to use reserves.

#### **Pay Award**

- 4.3 The Performance and Budget Monitoring report presented to Cabinet on 7 September 2022, reported that negotiations were ongoing in respect of the 2022-2023 pay award, and the current proposal, if accepted, was forecast to cost in the region of £9.0 million in year. The approved budget for 2022-2023 includes a provision of 2% amounting to £2.8 million, we therefore reported at quarter 1 that the forecast in year cost pressure was in the region of £6.2 million. On 1 November 2022, it was announced that the pay award had been accepted.
- 4.4 Work has been ongoing to identify in-year efficiency to mitigate against these costs. Since reporting to Cabinet in September, our focus on has been identifying in-year underspends and efficiencies, including the review of budgets held corporately to support new initiatives aligned to corporate priorities. As a result of this review, the forecast overspend as at quarter 2 has reduced from £5.4 million to £1.5 million. However, it should be noted that some of the underspend across services, is in part, due to staff vacancies. A number of services are experiencing difficulties in recruiting to some positions, which is resulting in this one-off underspends. Delays in recruitment could also impact on service delivery and present some risk if delays in recruitment continue.
- 4.5 Work will continue to identify efficiencies and underspends in order to manage these costs within the approved budget. As a last resort we will consider the use of reserves.

- 4.6 This report seeks approval to delegate authority to the Cabinet Member for Resources and Digital City in consultation with the Director of Finance to approve the necessary virements to fund the pay award. In addition, the 2022-2023 budget includes a staff turnover efficiency target of £1.2 million and a general efficiency target of £1.5 million. These savings targets are currently held within Corporate Budgets. Approval is therefore also sought in this report to delegate authority to action any virements required to re-allocate these targets across directorates.

### **Inflation**

- 4.7 In addition, inflation in the UK is at the highest it has been for four decades, which means the country is facing an increase in the cost of living, with food, petrol and energy bills all increasing. Current projections are forecasting cost pressures of around £1.7 million in 2022-2023, these have been reflected in this forecast outturn position. However, it is not yet known what the full extent this will have on direct costs of the Council and the impact this will have on our contracts, as well as our residents and businesses.
- 4.8 We are tracking the impact of inflation carefully, gathering information from a number of sources to build up an accurate picture however we recognise that the impact will continue to emerge throughout the year.
- 4.9 The current forecast includes projected inflationary costs where they are known, and these are incorporated into the projects detailed in Appendix 2. This will continue to be monitored and updates will be provided in future reports. Inflation is a significant risk and as such is included in the Strategic Risk Register at Appendix 3.
- 4.10 The 2022-2023 approved budget also incorporates a number of approved budget reduction and income generation targets. Recurrent savings targets total £4.6 million, progress against these targets, where appropriate is detailed in Appendix 2.
- 4.11 Table 1 below summarises the projected outturn position for 2022-2023. Further detail on the most significant variances against the budget are reported on a service-by-service basis in Appendix 2.

**Table 1 – 2022-2023 General Fund Revenue Budget Projected Outturn**

	Net Controllable Budget 2022-2022	Projected Outturn 2022-2023	Projected Variation	
			Over/(Under)	
	£000	£000	£000	%
Commissioning and Transformation	3,161	3,161	-	-
Adult Services	79,625	78,443	(1,182)	(1.48%)
Children's Services and Education	50,679	49,627	(1,052)	(2.08%)
Public Health and Wellbeing	5,428	6,235	807	14.87%
City Housing and Environment	30,642	31,013	371	1.21%
City Assets	10,709	10,592	(117)	(1.09%)
Regeneration	2,999	3,154	155	5.17%
Finance	15,633	15,586	(47)	(0.30%)
Governance	13,651	13,645	(6)	(0.04%)
Strategy	10,572	9,759	(813)	(7.69%)
Communications and Visitor Experience	2,409	2,409	-	-
Corporate Budgets	41,651	38,960	(2,691)	(6.46%)
Net forecast impact of pay award	-	6,119	6,119	-
<b>Net Budget Requirement</b>	<b>267,159</b>	<b>268,703</b>	<b>1,544</b>	<b>0.58%</b>
Council Tax (including Adult Social Care Precept)	(118,072)	(118,072)	-	-
Enterprise Zone Business Rates	(1,422)	(1,422)	-	-
Top Up Grant	(27,399)	(27,399)	-	-
Business Rates (net of WMCA growth payment and Collection Fund deficit)	(64,000)	(64,000)	-	-
New Homes Bonus	(1,632)	(1,632)	-	-
Section 31 Grant - Business Rates Support	(21,170)	(21,170)	-	-
Collection Fund (Surplus)/Deficit	1,781	1,781	-	-
Services Grant	(5,492)	(5,492)	-	-
Social Care Grants	(16,305)	(16,305)	-	-
Improved Better Care Fund	(14,761)	(14,761)	-	-
Lower Tier Funding	(487)	(487)	-	-
Contribution to / from reserves	1,800	1,800	-	-
<b>Total Resources</b>	<b>(267,159)</b>	<b>(267,159)</b>	-	-
<b>Net Budget (Surplus) / Deficit</b>	<b>-</b>	<b>1,544</b>	<b>1,544</b>	<b>0.58%</b>

## **5.0 Risk Management**

- 5.1 The Council is no different to any other organisation and will always face risks in achieving its objectives and priorities. Sound risk management can be seen as the clear identification and management of such risks to an acceptable level.
- 5.2 The Strategic Risk Register is reviewed in conjunction with risk owners, reviewed by SEB and presented to the Audit and Risk Committee on a regular basis. The Strategic Risk Register was presented to Audit and Risk Committee on 26 September 2022 and is showed at Appendix 3. A further update will be presented to Audit and Risk Committee in November.
- 5.3 In addition to the Medium Term Financial Strategy being incorporated in the Strategy Risk Register, there is also a separate General Fund budget risk register. The overall level of risk associated with the budget 2022-2023 is assessed as Amber. As detailed in section 4 it is forecast that the Council is currently forecasting an overspend for 2022-2023, mainly due to the 2022-2023 pay award which was accepted on 1 November 2022. The Council will continue to work to identify in-year efficiencies in order to mitigation against this overspend and provide updates in future reports.
- 5.4 Inflation and the increasing cost of living is considered to be a significant risk, not only the direct costs of the council but on our businesses and residents. This will continue to be monitored and updates provided in future reports. Inflation is incorporated in the Strategic Risk Register and the General Fund budget risk register.

## **6.0 Housing Revenue Budget Monitoring**

- 6.1 The paragraphs and the table below detail the latest forecast revenue outturn against budget for the Housing Revenue Account (HRA). The cost pressures identified in the following paragraphs result in a projected reduction in the provision for debt redemption of £3.2 million.

**Table 2 – Housing Revenue Account Projected Outturn 2022-2023**

	Budget	Projected Outturn	Projected Variation
	£000	£000	£000
Total income	(99,833)	(99,631)	202
Total expenditure	72,219	74,249	2,030
Net cost of HRA services	(27,614)	(25,382)	2,232
Interest payments etc.	10,233	11,234	1,001
Contribution to capital financing	2,990	2,990	-
Provision for redemption of debt	14,391	11,158	3,233
<b>Balance for the year</b>	-	-	-

- 6.2 Income from rents and service charges is forecast to be £202,000 lower than budgeted. When setting the budget, assumptions were made about the level of empty properties , this level is currently higher than anticipated resulting in reduced income.
- 6.3 Expenditure on repairs and maintenance is currently forecast to be £261,000 above budget, this is as a result of the cost of Section 11 legal claims – these are compensation claims made by tenants for repairs not carried out.
- 6.4 In addition, as detailed in the Treasury Management Activity Monitoring Mid Year Review 2022-2023 report on this same agenda, there is currently a forecast overspend of £996,000 on the HRA due to higher interest payable costs.
- 6.5 The Performance and Budget Monitoring Report presented to Cabinet on 7 September 2022, reported the uncertainty around the cost of inflation and the impact of the proposed pay award for 2022-2023 on managing agents. In particular Wolverhampton Homes are reporting cost pressures as due to their substantial workforce and increasing costs due to repairs demands. It is currently forecast that these increased costs associated could be in the region of £2.0 million. The repairs costs pressures being experienced are due to inflation, increasing costs of works to address damp and mould issues and new burdens due to compliance and regulation. At the time of writing this report negotiations are still ongoing with Wolverhampton Homes to understand the financial position and the impact on their MTFS. This report therefore seeks approval to delegate authority to the Cabinet Member for City Housing and Assets and the Cabinet Member for Resources and Digital City, in consultation with the Director of City Housing and Environment and the Director of Finance to negotiate and finalise any changes required to the 2022-2023 management fee payable to Wolverhampton Homes and approve any necessary virements.

6.6 The impact of the pressures referred in the paragraphs above has resulted in a forecast reduction of £3.2 million provision for the redemption of debt. The impact of reducing its redemption of debt will be considered in the development of the 30 year business plan.

6.7 Further detail is shown in Appendix 5

## 7.0 Changes to Grant Funded Expenditure

7.1 It is not always possible to reflect all grant funded or externally funded expenditure in the budget approved by Full Council prior to the start of the financial year. This is due to the late notification from grant awarding bodies of grant amounts, use of historic grants and proactive grant applications during the year and confirmation of other external funding.

7.2 Approval is sought from Cabinet to establish supplementary budgets within the 2022-2023 approved budget as set out in the table below, and in accordance with the funding terms and conditions. This will have no effect on the Council's net revenue budgets as the expenditure is fully funded from the grant / external income.

**Table 3 – Supplementary budget approvals sought from Cabinet**

<b>Grant Name / Funding source</b>	<b>Description of the Activities this grant will fund</b>	<b>Awarding Body</b>	<b>Expenditure 2022-2023 £000</b>
Youth Offending Team (YOT) Grant additional funding relating to Turnaround Programme 2022-2025	To improve the outcomes and prevent offending for children who are on the cusp of the youth justice system but do not meet the need for statutory support.	Ministry of Justice	57
Reducing Parental Conflict	To promote improved outcomes for children, with a focus on disadvantaged families	Department for Work and Pensions	47
One Public Estate Opportunity Development Fund	To develop a pipeline of investable public sector property opportunities in their area, helping to address social justice outcomes around housing, health, education and children.	West Midlands Combined Authority	142
Black Country Transport WMCA Revenue Grant	To support the development of the Black Country Transport Capital Programme for scheme development and Black Country Programme Management.	West Midlands Combined Authority	400
COVID-19 Test and Trace Support Payments - Self Isolation Payments (Administration)	Supporting additional agency staff within Revenues and Benefits.	Department of Health and Social Care	96

<b>Grant Name / Funding source</b>	<b>Description of the Activities this grant will fund</b>	<b>Awarding Body</b>	<b>Expenditure 2022-2023 £000</b>
New Burdens Council Tax Rebate Scheme Administration	Supporting additional agency staff within Revenues and Benefits.	Department for Levelling Up, Housing & Communities	138
Assessed and Supported Year in Employment (ASYE) grant	To fund a project officer temporarily to provide additional support around social worker training needs in their first year.	Department of Education	46
Supplementary Substance Misuse Grant	Drug and alcohol abuse support	Department of Health and Social Care	727

## 8.0 Reserves

- 8.1 Reserves play a vital role in the financial sustainability of the Council. The Council's General Fund Balance stands at £13.7 million. This represents approximately 5% of the net budget for 2022-2023 and is in line with recommended good practice.
- 8.2 In addition to the General Fund balance, the Council also holds a number of earmarked reserves. Earmarked reserves balances that have been set aside by the Council to fund future estimated liabilities and planned expenditure. At the end of 2021-2022 these earmarked reserves were £55.9 million. In addition, the Council is also required to hold a number of earmarked reserves due to either specific criteria associated with funding, legal requirements or accounting practice. A sub group of the Resources and Equalities Scrutiny Panel will be undertaking a review of reserves which will feed into the budget process for 2023-2024.

### Transfers to / from Earmarked Reserves

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

### Budget Contingency Reserve

- 8.4 Approval is sought from this meeting for the use of £380,000 from the Budget Contingency Reserve and the establishment of associated supplementary budgets to fund to support expenditure on major projects.

### **Regeneration Reserve**

- 8.5 Approval is sought from this meeting for the use of £80,800 from the Regeneration Reserve and the establishment of associated budgets to fund the Employer Work Coach Wolves at Work programme.

### **Digital Inclusion Reserve**

- 8.6 Approval is sought from this meeting for the use of £95,000 from the Digital Inclusion Reserve and the establishment of associated budgets to fund the ongoing delivery of Wolverhampton's Digital Infrastructure Strategy.

### **Licencing Reserve**

- 8.7 Approval is sought from this meeting for the contribution of £285,000 to the Licencing Reserve from Licencing Service.

### **Our Technology Reserve**

- 8.8 Approval is sought from this meeting for the use of £116,000 from the Our Technology Reserve and the establishment of associated budgets to fund the development of the Agresso system.

### **Private Sector Housing- Civil Penalties Reserve**

- 8.9 Approval is sought from this meeting for the use of £64,000 from the Private Sector Housing – Civil Penalties Reserve and the establishment of associated budgets to fund the employment of a Graduate Environmental Health Officer for a fixed term of two years at £32,000 per annum to aid the service in the administration and enforcement of Civil Penalty notices.

### **Public Health Reserve**

- 8.10 Approval is sought from this meeting for the use of £2.0 million from the Public Health Reserve and the establishment of associated budgets as detailed below:

<b>Purpose</b>	<b>Amount £000</b>
Contribution to Prouds Lane Open Space Capital project. It was approved in "Capital Budget Outturn 2021-2022 including Quarter One Capital Budget Monitoring 2022-2023" report to Council 20 July 2022.	250
Contribution to Prouds Lane Open Space Capital project. Approval is being sought on "Capital Programme 2022-2023 to 2026-2027 Quarter Two Review" report to Cabinet 16 November 2022.	153
Contribution to East Park Capital Project - Approval is being sought on "Capital Programme 2022-2023 to 2026-2027 Quarter Two Review" report to Cabinet 16 November 2022.	250
To support a 'fluid sexual health budget' and to re-direct spend and respond to the changing needs of the population. To support innovation including future initiatives and pilots.	170



<b>Purpose</b>	<b>Amount £000</b>
To support a 'fluid sexual health budget' and to re-direct spend and respond to the changing needs of the population. To support innovation including future initiatives and pilots.	201
To support the Health Pregnancy programme	80
To fund Place based infrastructure	200
To fund Continuing Professional Development/ Masters in Public Health programme	125
To fund Early years first 1001 days programme	75
To fund Henry Randomised Control Trial (RCT) programme	56
To fund Head 4 Health Offer programme	50
To fund Health Checks programme	200
To support Wolverhampton Half marathon and 10k	12
To fund adult mental health- Starfish programme	107
To support operational policing capacity - Op Adage	23
To support Tuberculosis and homelessness programme - Bond House	33
To fund Black country indoor sports facility strategy	30
<b>Total</b>	<b>2,015</b>

## **9.0 Debt Write offs**

- 9.1 Debts are only written off as a last resort, when all feasible recovery action has been exhausted. If the situation surrounding an individual case changes in the future, steps would be taken to pursue the debt, despite the debt having been written off.
- 9.2 This report seeks approval to a number of debts write offs in relation to Sundry Debtors and Non-Domestic Rates. The details of these write-offs are provided in Appendix 7, Appendix 8 and Appendix 9.

## **10.0 Evaluation of alternative options**

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

## **11.0 Reasons for decisions**

- 11.1 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable Expenditure headings, require the approval of Cabinet. Contribution to and from reserves also requires the approval from Cabinet. The write-offs, virements and use of reserve requests detailed in this report which seek the approval of Cabinet are all considered to

be prudent in the opinion of the Director of Finance and the Cabinet Member for Resources and Digital.

## **12.0 Financial implications**

- 12.1 The financial implications are discussed in the body of the report.  
[EM/04112022/S]

## **13.0 Legal implications**

- 13.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.  
[DP/08112022/B]

## **14.0 Equalities implications**

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

## **15.0 All other implications**

- 15.1 There are no other implications.

## **16.0 Schedule of background papers**

- 16.1 Relighting Our City: City of Wolverhampton Council Recovery Commitment, report to Full Council on 16 September 2020
- 16.2 Relighting Our City Recovery Commitment Refresh, report to Cabinet on 17 March 2021
- 16.3 2021-2022 Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026, report to Cabinet on 23 February 2022 and Full Council on 2 March 2022

16.4 Our City Our Plan, report to Cabinet on 23 March 2022 and Full Council on 2 March 2022

16.5 Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026, report to Cabinet on 27 July 2022

16.6 Performance and Budget Monitoring, report to Cabinet on 7 September 2022

## **17.0 Appendices**

17.1 Appendix 1 - Performance Update

17.2 Appendix 2 - Budget Monitoring

17.3 Appendix 3 – Strategic Risk Register

17.4 Appendix 4 - General Fund Budget Risks 2022-2023

17.5 Appendix 5 - Housing Revenue Account

17.6 Appendix 6 - School Balances

17.7 Appendix 7 - Debt Write Offs

17.8 Appendix 8 – Sundry Debt Write offs

17.9 Appendix 9 - Non-domestic Rates Write offs

17.10 Appendix 10 – General Fund Budget Virements