

**Minutes Extract – Performance, Budget Monitoring and MTFs Item
Residents, Housing and Communities Scrutiny Panel
17 November 2022**

The Temporary Director for Housing and Environment gave a presentation on Performance, Budget Monitoring and the Medium Term Financial Strategy. He stated that the Council had built up a strong track record over many years of managing its finances despite reductions in funding. The Council's strategic approach to strategic financial planning was to align resources to the Our City, Our Plan which was approved by Full Council on 2 March 2022.

The Temporary Director for Housing and Environment commented that Cabinet received a quarterly report on integrated performance and budget monitoring. The quarter 2 position had been presented to Cabinet on 16 November 2022. Overall a forecast overspend was reported across the Council of £1.5 million, this was in the main as a result of the 2022-2023 pay award. In total there were 56 Key Performance Indicators in the Our City: Our Plan Performance framework. 33 had shown an improvement or seen similar performance, 17 were yet to be updated in the year to date, with 8 of those falling in Healthy Communities. 6 of the 56 performance indicators had shown a decrease in performance.

The Temporary Director for Housing and Environment, talking specifically about the priority area, "Good Homes in Well-Connected Neighbourhoods," commented that of the 10 priorities in this area, 5 had showed improved or similar performance in the year to date and for 5 there had been no update in the year to date. The KPIs that had showed increased or similar performance were as follows: -

- Number of new builds completed in the City - Similar
- Percentage of carriageways in City assessed as high quality – Increased for all road types.
- Percentage of planning application decisions made with 13 weeks or agreed timescales – Increased
- Percentage of fly tipping incidents resolved in five working days - Increased.
- Number of homeless families moved into secure housing - Increased

The performance against the number of new builds completed in the City had remained at 70. This put Wolverhampton slightly lower than the statistical neighbour average which was 111. The increased performance against the number of carriage ways in the City judged as high quality included a large increase in the quality of C roads in the quarter. 100% of major planning applications had been completed within 13 weeks in the quarter. There had been a slight increase in the percentage of fly tipping incidents resolved in 5 days from 76% to 77.5%. More homeless families had been supported into secure accommodation. Homeless applicants made up 30% of the customers on the housing register. The additional support in place for the homeless customers placed in Temporary accommodation would increase the number of homeless applicants that were rehoused.

The Temporary Director for Housing and Environment commented that they were awaiting on data, which was expected to be published in November to update 5 KPIs, these were in the areas of:-

- Net additional dwellings in the City
- Housing affordability ratio
- Percentage of dwelling stock that was vacant in the City
- Energy efficiency of the housing stock

There was a financial pressure on Temporary Housing Accommodation. There was a pressure to the transportation budget of nearly £700,000 which was largely down to demographic growth. 1718 pupils were now transported to School, in 2020/2021 the travel unit were transporting 1147 pupils. The Travel Unit had recently been formed and transformed how the service was delivered. If the work had been given to a private contractor it was expected that costs would be in excess of £3 million per year than they were at the present time. Continued growth was expected to increase the demand further. There was a financial pressure on fleet services due to the increase cost pressures due to the hiring of vehicles. The planned fleet replacement programme would mitigate against the increased costs.

The Temporary Director for Housing and Environment remarked that there had been a reported overall budget deficit of £12.6 million in 2023-2024 rising to £25.8 million over the medium term to 2025-2026. Work had been ongoing to reduce the deficit with an update to Cabinet on 19 October 2022 reporting an updated forecast budget deficit of £7 million for 2023-2024 rising to £31.6 million by 2025-2026. Work would be undertaken to bring forward proposals to set a balanced budget for 2023-2024 and delivered a sustainable medium term financial strategy.

The Temporary Director for Housing and Environment highlighted a number of uncertainties in the budget. There continued to be significant uncertainty about the future funding the Council would receive, inflationary pressures and future pay awards. It was assumed that there would be a 4% increase in pay in 2023-2024 and 2% for future years. Under the remit of the Residents, Housing and Communities Scrutiny Panel the Medium Term Financial Strategy currently had a £250,000 Environmental Services saving target built into the budget. A growth of £142,000 for Waste Services was also built into the budget.

The Temporary Director for Housing and Environment explained that the budget setting process was still under way. The draft budget was subject to changes that were implemented to close the current deficit for 2022-2023. Some growth and saving targets were currently being held in Corporate Accounts and would be transferred to services. The draft budget did not currently reflect any virements between services in 2023-2024. Work was ongoing to review and challenge budget requirements.

The Temporary Director for Housing and Environment presented a slide on strategic risks. The strategic risks had last been reported to Audit and Risk Committee on 26 September 2022. Climate Change was a strategic risk which fell within the remit of the Residents, Housing and Communities Scrutiny Panel. He listed four strategic risks which could have an impact on the Panel these were, Businesses Closing,

Reputation / Loss of Public Trust, Employee Wellbeing and the Medium Term Financial Strategy.

A Panel Member asked for more information on the six key performance indicators which had showed a decrease in performance. He referred to the Markets budget which was forecasting an 80% overspend, Homeless and New Communities a 30% overspend and the Fleet Services budget a 40% overspend. He believed this suggested poor planning. He highlighted the underspend in the street lighting budget, which caused him concern as he had residents that were requesting street lighting, but had been told by Officers that the money was not available. He could not understand why the Council was intending to spend less on Environmental Services in next year's budget compared to the current year. A saving of a quarter of million pounds had been identified. He thought there was a lot of pressure on the service such as the maintenance of trees and did not believe a budget reduction could be justified. He asked if any earmarked reserves were going to be used to fill any gaps in the budget.

The Temporary Director for Housing and Environment responded that since the pandemic there had not been a return to normal levels of activity at the market and this was also applicable to the car parking budget. The underspend in streetlighting was due to the investment in LEDs, which was bringing savings to the operational budget. The LED replacement programme was near completion with over 18,000 units replaced. The £250,000 saving in the Environmental Services budget was an historic saving target that was put into the service some years before. This target could potentially be achieved by delivering efficiencies, without reducing service provision. He would resist any moves to reduce the budget allocated for trees. Some of the earmarked reserves were restricted by legislation in how they could be utilised, he cited the taxi licensing reserve and highways reserve as examples. He was happy to circulate a briefing note on the reserves to provide more detail.

A Member of the Panel was of the view that Environmental Services needed to move to a proactive management approach rather than a reactive management approach. He believed this was particularly applicable to the management of trees in the City. He referred to delays in the highway resurfacing programming projects, this had been partly down to a delay in the signing off of the Black Country wide surface treatment framework document. He wanted to ensure that next year's highway budget included any remaining from the current year. He asked for an update on road sweepers, as the current one's often broke down. It had been promised that they would be replaced in the current year.

The Temporary Director for Housing and Environment responded that they were nearly up to a full complement of staff who worked on the City's trees. There were only two vacancies left to complete. The Council had moved from a five year inspection strategy to every two years. Councillors would have access to a digital system showing data on tree inspections. He hoped Councillors would soon see a difference in how the service was approached. He agreed that it was disappointing about the delays on highway treatment. As soon as the weather permitted they would be looking to carry out maintenance work and he would ensure that finance rolled over any remaining budget into the new financial year. Four road sweepers

would be operational for the Council in the next month, which were all electric. As they were so quiet, they were able to work in residential areas overnight.

A Panel Member asked about how the budget for the Coroners service was monitored. He was particularly interested in how the service operated in Wolverhampton and asked whether a full report could be given in the future. The Temporary Director for Housing and Environment responded that it was monitored on a regional basis. The Scrutiny Team Leader responded that there would be room in the Work Programme in the new municipal year for an item on the Coroners Service. He would send the minutes from a Health Scrutiny Panel meeting which had looked at the processes to be followed after death.