

Minutes Extract – Performance, Budget Monitoring and MTFs Item Climate Change, Housing and Communities Scrutiny Panel 16 November 2023

The Chair invited John Roseblade, Director of Resident Services, to introduce the report.

The Director advised the panel the presentation would provide an update on the Council's budget position and the draft budget plan for 2024-2025. The Director advised the panel that they would be asked to consider and comment on the draft budget and the extent to which it is aligned to the priorities of the Council.

The comments of the panel will be included in a feedback report to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget 2024-2025 and Medium-Term Financial Strategy as part of budget consultation process.

The Director advised the panel that James Amphlett, Head of Data and Analytics and Luke Dabin-Williams, Finance Business Partner were also in attendance to answer queries.

The Director advised the panel that the draft budget is presented as part of the annual budget setting cycle, and it was being presented to scrutiny for early engagement.

The Director gave an overview of the background to the drafting of the 2023-24 budget that was previously approved by Full Council on 1 March 2023.

The Director commented that that work is ongoing to reduce the forecast budget deficit with an update to Cabinet on 18 October 2023 reporting a forecast budget deficit of £2.6 million for 2024-2025 rising to estimated £22.0 million by 2025-2026.

The Director added that proposals will be presented to achieve a balanced budget for 2024-2025 and deliver a sustainable medium term financial strategy.

The budget deficit for 2024-2025 is now projected to be in the region of £2.6 million. The draft budget will be subject to change.

The Director commented in the uncertainties in the drafting of the budget, for example, future funding, inflationary pressures, and demand for services.

The Director commented on the efficiencies which have been identified in the budget for 2024-2025 which have been separated into service areas within the remit of the panel. The Director highlighted the £300,000 efficiency target for parking services

which is due to the reduction on the level of support following Covid -19 which are gradually being phased out.

The Director commented on the link between the budget and the performance management framework and gave details of the relevant performance targets for the priority 'Good homes in well-connected neighbourhoods' within the remit of the panel. The Director commented on the changes in the movement of performance indicators for this priority.

The Director commented on some of the risks to key services and highlighted the increase in demand for homelessness support and the provision of temporary accommodation.

The Director added that there are discussions about the using Council owned properties across the City to meet this need.

The Director commented on the budget risk to environmental services because of increased demand and the costs of services. The Director highlighted the changes because of a legal case concerning the management of trees which has led to the requirement for them to be inspected every two years rather than every five years.

The Director commented on the earmarked reserves position and further information was available using the links provided.

The Director commented on the strategic risk register and that the private hire vehicle growth has been added as a new risk. The Director reassured the panel that there was not an indication of an increase in risk associated with Council activities and was an indication of improvements in the process for identifying and managing risks.

The panel were invited to comment on the report.

A panel member welcomed the increased monitoring of the condition of trees and congratulated the Director on the design of the website which allows you to easily search for the inspection result. A panel member commented on the increase in the number of landlords selling their properties which is likely to create a problem in the future.

The Director acknowledged the impact of increased interest rates on landlords and the service has seen an increase in the number of people presenting as homeless, which has added to the pressure demand for places for temporary accommodation.

A panel member asked for further details about the virements between services referenced in the draft budget report.

Luke Dabin-Williams, Finance Business Partner, commented that the specific virement related to specifically to the assumptions made about energy from waste. The original assumption that additional growth would be needed at the end of the operating contract. The Director commented due to the risks further adjustments to the budget may be necessary as a result.

A panel member queried if the reduction of new build starts completed in the city was due to the difficulty in identifying potential sites or the lack of resources.

The Director commented on the current state of the new build housing market and advised that there are lots of new properties in the pipeline for Wolverhampton based on planning applications submitted.

The Director commented that in reference in the presentation to using empty housing stock for homeless people. The length of time properties is empty is monitored and the performance is reported to the Performance Board. The Director gave an example of scheme involving the demolition of maisonettes blocks in Park Village which will result in people being moved to different blocks and the previous property would remain empty but also need to be heated and maintained to prevent the risk of damp and mould affecting the adjacent property. A proposal has been put together to use these homes for temporary accommodation.

The Director added that the housing units will be maintained to a decent standard and is expected to provide a cheaper alternative to using current temporary accommodation available.

A panel member queried the risks referred to as regards highway maintenance as there was concern about the increased demand for gully sweeping and other related work in response by recent storms. The panel member asked for detail about the reasons for the increased demand and the nature and levels of risks to the service.

The Director commented that the provision of highway maintenance services is subject to inflationary pressures, such fuel cost increases, and the contracts for disposing of material. The Director acknowledged the extra costs linked to the additional work needed to prepare and respond to the threat of flood risk because of intensity of storms.

A panel member queried the volatility in market for waste disposable, identified as a risk area and asked for further details. The Director commented that the waste recycling market is subject to market forces and highlighted the changes in the market for dried mixed waste recyclables. In the past the Council would get £10 a

tonne for this type of waste but now it has pay for it to collected and disposed. The current extra cost pressure to the Council is estimated to be £600,000 annually.

The Chair thanked the presenters for the report.

Resolved.

1. The panel comments on the Draft Budget 2024-2025 and Medium-Term Financial Strategy to be included in feedback to Scrutiny Board for consolidation and onward response to Cabinet.