

Minutes Extract - Performance, Budget Monitoring and MTFS Resources and Equalities 7 December 2023

The Director of Finance began the presentation (a copy is attached to the signed minutes) and informed the Panel that when Full Council approved the 2023-2024 budget on 1 March 2023 the Council had a forecasted budget deficit of £16.4 million in 2024-2025 rising to £23.1 million across 2025-2026. Work had been undertaken by the Council to reduce the deficit, with the budget update to Cabinet in October, projecting the deficit to be in the region of £2.6 million for 2024-2025, but that current MTFS efficiency targets and future efficiency assumptions to be identified for 2024-2025 meant the total gap was currently £9.4 million. Work was still being undertaken to further reduce the deficit and create a balanced budget for the future with the current budget deficit rising to over £20 million for 2025-2026. Economic uncertainties were: future funding, inflationary pressures, demand for services, future pay awards.

The Corporate Analytics Manager informed the Panel that sickness rates had increased to 3.23% in quarter 2, and that this did not include COVID sick absence. Mental health issues, musculoskeletal and operations were the top 3 recorded reasons for workplace absence. Employees had access to mental health support via the employee assistance programme. Staff turnover had increased, the Council were operating a post-job change interview scheme to find out more about the reasons why staff were leaving the City of Wolverhampton Council as an employer and would have data in the future. As of 2023/2024, customer service call waiting times were lower than historic trends.

The Director of Finance expanded on risks, citing key areas for the Panel to note. There was increasing demand for temporary and supported living accommodation, which was caused by a multitude of factors, most common being an impact of the cost of living contributing to people becoming homeless, or landlords evicting people in the private sector. The Council was responding by looking into preventative measures available, such as taking back into ownership more properties to allow for temporary accommodation allocation. The Council were mitigating inflationary pressures on planned and reactive building maintenance by reducing overall activity in this area. There were on going and increasing cyber security risks. The energy market was volatile and this was a risk for central Council services cost wise. Further risks were listed on the presentation document.

The Vice Chair wanted to know why COVID illness cases were not included in the sick leave statistics and wanted to understand how they impacted the figures.

The Corporate Analytics Manager stated that COVID was not recorded in Agresso anymore, he explained that people who were off with COVID were recorded as part

of the overall sickness statistics, but not separated anymore as they had been in previous times.

The Chair and Vice Chair sought further clarification in reference to the wording within the slides.

The Chief Operating Officer stated that the wording of the slides would need to be changed going forward. He confirmed what the Corporate Analytics Manager said was correct.

The Chair stated it would be worthwhile looking at the stats and strategy for those suffering from long-covid.

A Panel member said the exit interviews were not very in depth and she felt they needed to have more challenging interviews to get a stronger sense of why staff leave. She wanted to know why people were not wanting to work in the local authority.

The Chief Operating Officer stated that the City of Wolverhampton's turn over and retention rates were good in comparison to other local authorities. He said studies done by the government showed that all local authorities were challenged by staff retention. He said in certain professional areas within local authorities, such as legal with lawyers, it was hard to employ those professionals directly. He said that the City of Wolverhampton was responding to this by taking a "growing our own" approach, where resources and time were being put into training and developing staff. He said the Council's Equality, Diversity & Inclusion strategy was also aimed at making the workplace better for employees and was considerably advanced compared to some Councils. He said exit interviews were showing that in most cases colleagues who were head hunted for work which offered a promotion on their current role, this showed that Wolverhampton had some challenges around progression points past certain levels.

The Councillor replied stating she believed an anonymous survey should be done to allow for more honest feedback from staff currently working in the Council. She also asked if more apprenticeships could be opened up further across the Council.

The Chief Operating Officer stated that the Council had apprenticeships across the board, with 48 currently on going. He said the Council had found thus far that most apprentices continued working within the City of Wolverhampton Council upon completion of their apprenticeship. He also stated that 45% of apprenticeships were from a non-white background which was contributing towards the increasing diversity of the employee make up at the Council. He stated that exit interviews were done in person to get the conversation flowing but they could be done anonymously throughout Human Resources services. He also said the those employees leaving could ask to do their exit interview with someone from a different service, which meant they'd be speaking to someone who did not know them and was not within the department they had been working for.

The Cabinet Member for Resources added that a number of the Council's apprentices had won regional and national awards.

A Panel member stated that he was pleased to hear the level of opportunities and staff development within the Council. He also said that if staff were being head hunted by other Local Authorities or businesses, it showed the City of Wolverhampton Council produced excellent professionals. He stated he felt it was good the Council had looked at and prepared for further pay rises, however, he asked if they had modelled higher than 2 or 3% and if they had looked at 6% to ensure all eventualities were prepared for.

The Director of Finance stated that it wasn't possible at this stage to know what pay offer would be asked for and what would be negotiated nationally. She said the situation was under constant review and that they did look at various outcomes when doing economic forecasting.

A Councillor referred to the increase in demand for temporary and supported living accommodations. He said this was most sharply seen in the private sector as a driver for increased homelessness. He wanted to know if the Council was prepared for further increases in demand in this area.

The Director of Strategy replied that they were seeing increased demand, driven by a variety of reasons, from evictions through to family breakdown and that this was an issue being seen across the country. She said they were supporting people with the resources they had but that she would flag it with the Directors for further consideration. She said an item was coming to the Climate Change, Housing and Communities Scrutiny Panel in the future.

There was discussion between Panel members about reported rent increases from residents and financial support available.

A Panel member stated she saw support offered for Mental Health issues with the Employee Assistance scheme but wanted to know what support was available for the other major contributor to staff sickness; Musculoskeletal (MSK).

The Chief Operating Officer explained that the Council followed the requirements and guidance of Health and Safety law which included workplace risk assessments and the various equipment offered for this. He said the Council also provided and paid for physiotherapy for staff when medically required. He also stated that the new hybrid working format, with home based working, offered a great variety of options for staff and this had contributed to a reduction in the number of MSK in the workplace.

The Councillor thanked the Chief Operating Officer for his answer. She enquired about budget deficit forecasts. She wanted to know if there was comparative data available of what the previous year's forecast was compared to the reality of what the years actual deficit ending up being, to get an idea of accuracy.

The Director of Finance stated they had a robust approach which was often correct,

however, with the limited information available they were not always able to predict everything and she cited pressures in children's services as an area which they had not foreseen. She stated that often they were fairly accurate.

The Cabinet Member for Resources stated that because Councils were only funded for a year at a time, it made it difficult for planning purposes, which was why they had become reliant on forecasting.

There was general discussion around 1 year settlements and the uncertainty they cause Local Authorities between the Panel and Officers.

The Vice Chair stated that reinforced autoclaved aerated concrete (RACC) was listed on the strategic risk register and wanted to know what impact this was having on budgets.

The Chief Operating Officer said this was an on national issue which was why they had ensured it was covered. However, he stated Wolverhampton was in a better position than the rest of the country, they had already begun work prior to the 2023 RACC scandal and most of the RACC had been removed from City of Wolverhampton properties. Their schools were not impacted by it. There were a few areas with small amounts, but none of these had risks associated with them at this time.

The report was accepted by the Panel.