

Council Plan, Performance, Budget and Medium Term Financial Strategy – Pre decision scrutiny

Scrutiny Board
6 February 2024

Introduction

Budget Scrutiny for

- Our City: Our Plan Refresh
- Our City Our Plan Performance
- Draft Budget 2024-2025 and Medium Term Financial Strategy
- Future Challenges
- Strategic Risk Register

Our City Our Plan Refresh 2024 - 2025

Recommendations for action or decision

The Scrutiny Board is recommended to:

1. Consider and comment on the Our City: Our Plan refresh for the 2024-2025 municipal year as pre decision scrutiny ahead of Cabinet on the 21 February.

Purpose and Background

- The Council Plan is a key component of the Council's policy framework supporting development of our medium-term financial strategy.
- Our City: Our Plan was first approved by Full Council on 2 March 2022 following extensive engagement with communities.
- It is good practice that the plan is refreshed annually to ensure that resource continues to be aligned to the needs of local people.
- The Our City: Our Plan document and Cabinet report have been included in the pack for scrutiny.

OUR CITY: OUR PLAN

The strategic framework remains consistent with the addition of the Wolverhampton Pound as a fourth cross cutting pillar.



Key information for Scrutiny

Updates to Our City: Our Plan 2024-2025 include:

- 2023/2024 Snapshot: Reflecting on achievements from the municipal year.
- Strategic Narrative: Updated to reflect new and emerging policy areas or strategies e.g Good Growth strategy
- Key Projects: Updated planned projects, investment and activity to support delivery of the plan priorities.
- Consultation and Engagement: City Priorities joint consultation with finance to help shape OCOP refresh and the budget. 277 responses.
- Golden Thread: Refreshed performance framework and the introduction of a new service planning approach for the Council.

Our City Our Plan KPI's 2024/25

2024/25 Performance Framework

- Key principles:
 - All indicators are published in plan and do not change throughout the year unless there are exceptional circumstances
 - Indicators are classified by system/council – to make clear where we as a council have less direct overall control on performance
 - Reporting will be on a quarterly basis, and reference targets, historical data and benchmarking wherever data is available
 - Reporting on a quarterly basis will continue to be alongside financial performance and the strategic risk register, to Cabinet and Scrutiny Board.

2024/25 Performance Framework

- A summary of proposed changes and rationale is as follows:
 - **Strong families where children grow up well and achieve their potential**
 - % of children and young people in care who have had 3 or more homes in the year (**word 'placements' changed to 'homes'**)
 - **Fulfilled Lives For All With Quality Care For Those Who Need It**
 - % of adults with learning disabilities in paid employment (**removed**)
 - % of carers who use services who found it easy to find information about services and/or support (**added**)
 - Workforce Turnover Rate (LA and Providers) (**added**)

2024/25 Performance Framework

- A summary of proposed changes and rationale is as follows:
 - **Good Homes in well-connected neighbourhoods**
 - % of new builds that are affordable housing (against planning target) (**added**)
 - % of stock housing that is empty / empty homes (**reworded**)
 - Number of council homes where energy performance has been improved through retrofit programmes (**added**)
 - Average time spent in temporary accommodation (**added**)
 - % of trees on public land inspected every two years (**reworded**)
 - % of recycled and composted household waste (**added**)
 - Carbon reduction against 2024/25 target (**added**)

2024/25 Performance Framework

- A summary of proposed changes and rationale is as follows:
 - **Healthy, Inclusive Communities**
 - Heart Failure Prevalence (*removed data no longer available*)
 - Narrowing the gap in the % of adult's residents in the city who have received their Covid 19 vaccination (*removed*)
 - **More local people into jobs and training**
 - No changes
 - **Thriving economy in all parts of the city**
 - No changes
 - **Our Council**
 - No changes

Strategic Risk Register

- Risks last reported to the Cabinet on 15 November 2023
- Strategic Risk register is available at:
- <https://wolverhampton.moderngov.co.uk/documents/s256782/Appendix%206%20-%20Strategic%20Risk%20Register.pdf>
- Detailed discussion of risks took place at Audit and Risk Committee on 27.11.23 including detailed review of Employee recruitment and retention risk

Draft Budget 2024-2025 and MTFS Overview

Background

- This presentation provides an update on the budget position and the draft budget for 2024-2025.
- Scrutiny are asked to:
 - consider and comment on the draft budget and how it is aligned to priorities of the Council
 - provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget 2024-2025 and Medium-Term Financial Strategy

Draft Budget and MTFS

- The 2023-2024 budget and MTFS was approved by Full Council on 1 March 2023. We reported a forecast budget deficit of £16.4 million in 2024-2025 rising to £23.1 million over the medium term to 2025-2026.
- Work has been ongoing to reduce the deficit with an update to Cabinet on 18 October 2023. At that point, the budget deficit for 2024-2025 was projected to be in the region of £2.6 million.
- However, the budget and MTFS include efficiency targets which are held corporately totalling £6.2 million in 2023-2024, of which only £2 million had been allocated on a recurrent basis and £4.2 million is one off in nature.
- In addition, the working assumptions include a further £2.6 million efficiency target for 2024-2025.
- Therefore, in addition to the £2.6 million projected deficit, efficiencies totalling £6.8 million was still required to be identified for 2024-2025.

Draft Budget and MTFS

- It was reported to Cabinet in October that the projected budget deficit was over £20 million for 2025-2026.
- Budget setting processes continue. The Draft Budget presented in these slides is therefore subject to change.

2023-2024 Draft Budget and MTFS 2023-2024 to 2025-2026 Overview

Adjusted Division	2023-2024 Gross Expenditure Budget £000	2023-2024 Gross income Budget £000	2023-2024 Net Revenue Expenditure/ (Income) Budget £000	Pay Related Growth* £000	2024-2025 Growth £000	2024-2025 Savings £000	2024-2025 Draft Net Revenue Expenditure / (Income) Budget £000
Adults Scrutiny Panel	140,297	(44,546)	95,751	1,561	11,699	-	109,011
Children and Young People Scrutiny Panel	266,277	(211,064)	55,213	847	1,300	-	57,360
Climate Change, Housing and Communities Scrutiny Panel	89,254	(49,700)	39,554	935	692	(1,000)	40,181
Economy and Growth Scrutiny Panel	17,121	(11,155)	5,966	188	-	-	6,154
Health Scrutiny Panel	31,243	(29,935)	1,308	49	(360)	-	997
Resources and Equality Scrutiny Panel	222,553	(113,931)	108,622	7,065	(5,651)	4,423	114,459
Net Budget Requirement	766,745	(460,331)	306,414	10,645	7,680	3,423	328,162
Corporate Resources			(306,414)		(19,154)		(325,568)
Budget Challenge as at 18 October 2023							2,594
Efficiency Targets held corporately to be identified							6,825
Total Budget Challenge							9,419

- Note – 2023-2024 budget has been updated to reflect the pay award virement for 2023-2024, previously held corporately and any other approved virements

Overview – Uncertainties

- There continues to be significant uncertainty around
 - Future funding
 - Inflationary pressures
 - Demand for services
 - Future pay awards – currently assumes 3% in 2024-2025 and 2% for future years

Scrutiny Board
Draft budget 2024-2025 and MTFS

Draft Budget 2024-2025

- MTFS and Budget was last reported to Cabinet on 18 October 2024.
- Since Cabinet meeting work has been ongoing to set a balanced budget for 2024-2025
- 2023-2023 Draft revised budget includes all virements that have been processed to date.
- The 2023-2024 pay award was approved on 1 November has now been vired to all Directorates.
- At this point in time some growth and efficiency targets are being held in Corporate Accounts and will be allocated when services have identified where it needs to be reflected.

Draft Budget

Directorate	2023-2024 Gross Expenditure Budget £000	2023-2024 Gross income Budget £000	2023-2024 Net Revenue Expenditure/ (Income) Budget £000	Pay Related Growth* £000	2024-2025 Growth £000	2024-2025 Savings £000	2024-2025 Draft Net Revenue Expenditure / (Income) Budget £000
Adult Services	135,908	(43,808)	92,100	1446	11699	-	105,245
Chief Executive	199	-	199	2	-	-	201
Children's Services	78,428	(26,675)	51,753	673	1300	-	53,726
City Assets	29,813	(14,983)	14,830	161	(855)	-	14,136
City Development	4,921	(2,758)	2,163	63	-	-	2,226
Commissioning and Transformation	5,903	(870)	5,033	127	-	-	5,160
Communications and Visitor Experience	5,767	(3,182)	2,585	59	-	-	2,644
Corporate Accounts	58,806	(11,873)	46,933	5,816	(5,030)	3,600	51,319
Deputy Chief Executive	209	-	209	-	-	-	209
Education and Skills	193,315	(190,433)	2,882	264	-	-	3,146
Finance	93,905	(76,256)	17,649	369	(200)	430	18,248
Governance	20,275	(4,700)	15,575	401	434	393	16,803
Public Health & Wellbeing	46,074	(39,463)	6,611	105	(360)	-	6,356
Resident Services	74,636	(39,719)	34,917	849	692	(1,000)	35,458
Strategy	185,88	(5,613)	12,975	310	-	-	13,285
Net Budget Requirement	766,747	(460,333)	306,414	10,645	7,680	3,423	328,162
Corporate Resources			(306,414)		(19,154)		(325,568)
Budget Challenge as at 18 October 2023							2,594
Efficiency Targets held Corporately to be identified							6,825
Total Budget Challenge							9,419

Earmarked Reserves

- Full list of Earmarked Reserves balances of all reserves at the end of 2022-2023 financial year were last reported to Cabinet on 12 July 2023 which can be accessed from:

[Agenda for Cabinet on Wednesday, 12th July, 2023, 5.00 pm :: Wolverhampton City Council \(moderngov.co.uk\)](#)

- Forecast Reserves balances for 2023-2024 was reported to Resources and Equality Scrutiny Panel which can be accessed from :

[Agenda for Resources and Equality Scrutiny Panel on Thursday, 7th December, 2023, 6.00 pm :: Wolverhampton City Council \(moderngov.co.uk\)](#)

Feedback from Scrutiny Panels

Scrutiny Panel meetings took place on:

- 16 Nov 2023 – Climate Change, Housing and Communities
 - 22 Nov 2023 - Children and Young People
 - 29 Nov 2023 - Economy and Growth
 - 5 Dec 2023 - Adults
 - 7 Dec 2023 - Resources and Equality
 - 14 Dec 2023 – Health
- Minutes for each Scrutiny Panel are included in the accompanying report

wolverhampton.gov.uk