

Performance, Budget and MTFS

Climate Change, Housing and Communities Scrutiny Panel
16 November 2023

Introduction

Budget Scrutiny for

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

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 2024-2025 and MTFS Overview

Overview

- The 2023-2024 budget and MTFS was approved by Full Council on 1 March 2023
- 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 reporting an updated forecast budget deficit of £2.6 million for 2024-2025 rising to estimated £22.0 million by 2025-2026.
- Work will continue to be undertaken to bring forward proposals to set a balanced budget for 2024-2025 and deliver a sustainable medium term financial strategy

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

Scrutiny Panel	2023-2024 Gross Expenditure Budget £000	2023-2024 Gross Income Budget £000	2023-2024 Net Revenue Expenditure/ (Income) Budget £000	Pay Related growth* £000	Growth 2024-2025 £000	Savings 2024-2025 £000	2024-2025 Draft Net Revenue Expenditure / (Income) Budget £000
Economy and Growth Scrutiny Panel	17,430	(10,946)	6,484	-	-	-	6,484
Health Scrutiny Panel	30,993	(29,897)	1,096	-	(360)	-	736
Resources and Equality Scrutiny Panel	225,199	(114,244)	110,955	10,645	(4,674)	4,423	121,349
Climate Change, Housing and Communities Scrutiny Panel	88,320	(49,485)	38,835	-	15	(1,000)	37,850
Children and Young People Scrutiny Panel	262,674	(209,208)	53,466	-	1,000	-	54,466
Adults Scrutiny Panel	139,025	(43,447)	95,578	-	11,699	-	107,277
Net Budget Requirement	763,641	(457,227)	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

- Draft revised budget for 2023-2024 does not reflect passing out 2023-2024 pay award. This is held corporately. The 2023-2024 pay award was approved on 1 November and budgets will be passed out to services over the next few months
- * Pay related growth currently held corporately – includes provision for a 3% pay award

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

**Climate Change, Housing
and Communities
Scrutiny Panel**

Draft budget 2024-2025 and MTFS

Draft Budget

Service	2023-2024	2023-2024	2023-2024	Pay Related growth	Growth	Savings	2024-2025 Draft
	Gross Expenditure Budget	Gross Income Budget	Net Revenue Expenditure/ (Income) Budget		2024-2025	2024-2025	Net Revenue Expenditure / (Income) Budget
	£000	£000	£000		£000	£000	£000
Bereavement Services	1,741	(3,872)	(2,131)	-	-	-	(2,131)
Black Country Transport	546	(546)	-	-	-	-	-
Coroners Service	448	-	448	-	-	-	448
Director Resident Services	207	-	207	-	-	-	207
Environmental Services	7,629	(759)	6,870	-	350	-	7,220
Fleet Services	3,474	(1,210)	2,264	-	-	-	2,264
Green Cities and Circular Economy	413	(172)	241	-	-	-	241
Highways Maintenance	2,407	(778)	1,629	-	-	-	1,629
Housing	2,007	(2,388)	(381)	-	-	-	(381)
Landscaping	240	(188)	52	-	-	-	52
Licensing	7,566	(7,494)	72	-	-	-	72
Markets	1,812	(1,963)	(151)	-	-	-	(151)

- draft revised budget after reversal of one-off virements
- The 2023-2024 pay award was approved on 1 November and is currently held corporately -
- The forecast impact of the 2024-2025 pay related growth –increments, NI and potential pay award is also held corporately. Current working assumptions make provision for a pay award of 3%
- At this point in time some growth and savings are provisionally being held in Corporate Accounts and will allocated when services have identified where it needs to be reflected.

Draft Budget

Service	2023-2024 Gross Expenditure Budget £000	2023-2024 Gross Income Budget £000	2023-2024 Net Revenue Expenditure/ (Income) Budget £000	Pay Related growth £000	Growth 2024-2025 £000	Savings 2024-2025 £000	2024-2025 Draft Net Revenue Expenditure / (Income) Budget £000
Operation & Maintenance of Existing Network	3,392	(2,750)	642	-	-	-	642
Parking Services	2,286	(3,938)	(1,652)	-	(300)	-	(1,952)
Private Sector Housing	855	(294)	561	-	-	-	561
Public Protection	2,339	(412)	1,927	-	-	-	1,927
Street Lighting	5,198	(73)	5,125	-	-	-	5,125
Transportation	1,319	(571)	748	-	-	-	748
Travel Unit	8,596	(2,215)	6,381	-	-	-	6,381
Waste Services	21,906	(10,141)	11,765	-	-	(1,000)	10,765
Community Safety & Community Cohesion	4,231	(3,458)	773	-	-	-	773
Homelessness and New Communities	7,327	(4,735)	2,592	-	-	-	2,592
City Planning	2,381	(1,528)	853	-	(35)	-	818
Total	88,320	(49,485)	38,835	-	15	(1,000)	37,850

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- The forecast impact of the 2024-2025 pay related growth –increments, NI and potential pay award is also held corporately. Current working assumptions make provision for a pay award of 3%
- At this point in time some growth and savings are provisionally being held in Corporate Accounts and will allocated when services have identified where it needs to be reflected.

Draft Budget

- Budget setting process is still under way. The Draft Budget is subject to changes that are implemented to close the current deficit for 2024-2025.
- The budget and MTFS includes efficiency targets which are held corporately. The target for 2023-2024 is £6.2 million which has been allocated and the recurrent savings totalling £2 million are reflected in the appropriate service areas. £4.2 million is one off in nature and work is ongoing to allocate this across service areas.
- In addition, the current working assumptions include an additional £2.6 million for 2024-2025. Work is ongoing to allocate this target before the beginning of the financial year.
- The Draft Budget currently does not yet reflect any virements between services in 2024-2025.
- Work is ongoing to review and challenge budget requirements

Our City Our Plan Performance

Performance Overview

Good homes in well-connected neighborhoods

There are 15 indicators in 'Good Homes in Well-Connected Neighbourhoods' which cover housing, planning and city environment. These indicators measure performance the services the council provides to residents to ensure we are meeting timescales and providing the best service possible.

Notable increases in performance have been seen in carriageways being assessed as high quality, housing affordability, timeliness of major planning applications and trees being serviced in the city (the highest percentage since reporting began).

Some areas where we have seen decreases in performance are non-major planning application decisions (within 8 weeks) , which have dropped slightly this quarter to 85% however above the 70% target set by DLUHC. There has also been a decrease in new builds, however an increase in net additional dwellings was seen in the last year. A slight reduction in the percentage of fly tipping incidents resolved in 5 working days was seen in the quarter linked to a case management system outage however performance remains above 95%.

Performance Overview

Good homes in well-connected neighborhoods

Number of indicators	Number showing improved or sustained performance	Number showing decreased performance	Number with no update
15	7	4	4

Decreased performance

% of planning application decisions made with 8 weeks or agreed timescales

% fly tipping incidents resolved in 5 working days

Number of new builds completed in the city

Total crime recorded per 1000 population

No update in YTD

% of carriageways in city assessed as high quality - Unclassified Road

Net additional dwellings in the city

% of dwelling stock that is vacant in the city

Energy efficiency of housing stock

Performance Overview

Good homes in well-connected neighborhoods

Indicator	Source	2020	2021	2022	2023 - Latest	Latest SN Rate	Latest WM Rate	Latest WLV Rank	Latest WLV Quartile	Next Quartile Target	DoT
Number of new builds completed in the city	DCLG	570	740	530	160	464	3650	122	D	200	
Net additional dwellings in the city	DCLG	818	614	1315	no update	654	8503	124	D	707	
Housing affordability ratio	DCLG	6.35	6.36	6.26	6.06	5.96	7.9	272 (1=worst)	A	5.2	
% of dwelling stock that is vacant in the city	LG inform	3.1	3.1	2.9	no update	2.7%	2.5	83	D	2.8%	
Energy efficiency of housing stock	ONS	N/A	65	65	no update	66.3	66.2	264	D	69	
Total crime recorded per 1000 population	ONS	95	101	132	133	124.1	126	31 (1=worst)	D	95	

Indicator	Source	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	DoT
% of carriageways in city assessed as high quality - A Road	CONFIRM	78%	78%	79%	79%	81%	81%	
% of carriageways in city assessed as high quality - B Road	CONFIRM	72%	72%	73%	73%	75%	75%	
% of carriageways in city assessed as high quality - C Road	CONFIRM	73%	74%	79%	79%	82%	82%	
% of carriageways in city assessed as high quality - Unclassified Road	CONFIRM	64%	65%	66%	67%	N/A	N/A	
% of planning application decisions made with 13 weeks or agreed timescales	IDOX	82%	100%	82%	100%	100%	100%	
% of planning application decisions made with 8 weeks or agreed timescales	IDOX	67%	70%	79%	87%	92%	85%	
% fly tipping incidents resolved in 5 working days	CONFIRM	98.0%	97.0%	95.0%	99.5%	97.4%	94.9%	
Number of homeless families moved into secure housing	NEC	68	72	113	107	66	82	
% of trees on public land serviced every two years	CONFIRM	67.00%	68.00%	69.50%	74.00%	79.97%	88.00%	

Risks / Key areas to note

Homelessness and New Communities

- Increased demand in relation to temporary and supported accommodation seen as a result of a number of factors including an increase in the cost of living, increase in people being evicted from the private sector and increased number of families being asked to leave due to relationship breakdowns. The service is focusing on preventative action where possible to reduce this pressure and also looking at expanding council owned temporary accommodation by bringing back into use some empty properties to mitigate the budget risk.

Environmental Services

- Risks to the Environmental Services budgets are from increased demand, scope and costs in a number of services in relation to requirements for traffic management, equipment and materials for additional works, fuel, insurance and security costs.

Fleet Services

- Risks to the Fleet budget are arising from increased demand and costs attributable to vehicle hire, increased vehicle maintenance costs of existing fleet, whilst lead times to procure and take delivery of replacement vehicles remains an issue.

Highways Maintenance

- Increased demand in relation to gully sweeping, planned and reactive maintenance requirements are resulting in budgetary risk from the costs of service provision.

Risks / Key areas to note

Operation and Maintenance of Existing Network

- Risks to the Operation and Maintenance of Existing Network budgets are arising from increased demand and inflationary costs associated with provision of Network Management, Condition Surveys, IT systems and Traffic Signals equipment repairs and maintenance.

Parking Services

- Risks associated with ongoing pressures on parking income targets and levels of enforcement activity, post covid remain an issue as the service continues to look at ways to mitigate against this.

Travel Unit

- Ongoing risks to the Travel Unit budget are primarily due to increased demand for services of Home to School Transport, the associated costs for travel assistants, vehicle hire costs and/or contractor costs. The Travel Unit intensely work to achieve the most cost efficient options for service provision and work remains ongoing to increase the offer of independent travel training where appropriate.

Waste Services

- Risks to Waste Services budgets arise from increasing costs of fuel, utilities, security, repairs and maintenance and volatility of markets for waste disposal income or expenditure.

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 access from:

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

- Forecast Reserves balances for 2023-2024 will be going to Resources and Equality Scrutiny Panel on 7 December 2023.

Strategic Risk Register

- Risks last reported to the Cabinet on 15 November 2022.
- The following strategic risk relevant to this panel:
 - Climate Change
 - Private hire vehicle growth
 - Housing regulator (damp and mould)
 - Negative assessment against the Consumer Standards – Social Housing (Regulation) Act
 - Housing Supply
 - Housing Standards
- Strategic Risk register is available at:
- <https://wolverhampton.moderngov.co.uk/documents/s256782/Appendix%206%20-%20Strategic%20Risk%20Register.pdf>

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