

**Economy and Environment Overview and Scrutiny
Committee**

21 JANUARY 2021

**Draft Revenue Budget Feedback and Draft Capital Programme 2021/22
to 2023/24**

Ward(s) All

Portfolios: Cllr A Andrew – Deputy Leader, Regeneration
Cllr O Butler – Clean and Green
Cllr G Perry – Deputy Leader, Resilient Communities

Executive Summary:

The second budget report to Cabinet on 9 December 2020 includes feedback from this Committee on the draft budget plan as reported to Cabinet on 28 October 2020, along with a draft Capital Programme for the period 2021/22 to 2023/24.

The draft capital programme for 2021/22 totals £65.99m. It sets out new capital investment funded from the council's own resources of £28.17m (funded by capital receipts and borrowing) and externally funded schemes of £37.82m (funded by capital grants) and represents a balanced programme for 2021/22. In addition, the report sets out a further two years of indicative proposals to 2023/24.

Capital programme resources are limited. The financing for capital investment is heavily reliant on grants and funding received from the Government. The remaining flexibility is currently through capital receipts and borrowing. Capital receipts projections however are limited, and fully dependent on when council assets are sold.

This report provides an extract of the draft capital programme that relates to the services within the remit of the Economy and Environment Overview and Scrutiny Committee, split into 2 areas –

1. Council funded schemes – those schemes funded from the councils own resources (borrowing and capital receipts) – see **Appendix 1**. These include a refresh of the draft programme reported to Council in February 2020, along with additional schemes deemed as being high priority based on three categories (health & safety, council priority and unavoidable infrastructure). For 2022/23 onwards, the full impact of these projects will be reviewed, and funding revisited as part of the rolling annual budget process. There may be a number of schemes

that will require match funding in year to secure external resources, which will be reviewed in year and funds drawn down as projects are confirmed.

2. Externally funded schemes – those schemes funded from grant or other external contributions – see **Appendix 2**.

Any additional receipts received in year (excluding those earmarked for specific schemes) will be considered to fund those projects on the reserve list. These are summarised at **Appendix 3**.

Walsall Proud Programme work streams will identify one off revenue and capital investment required to ensure the required savings are delivered. Regular Proud programme updates will be provided to Cabinet and Scrutiny, and the S151 Officer will report throughout the budget process on the robustness of budget estimates to ensure that a legally balanced 2021/22 budget is set in February 2021.

Feedback from this Committee on the content of this report will be reported back to Cabinet on 10 February 2021 prior to the recommendation of the final revenue and capital budget plan to Council on 25 February 2021.

Reason for scrutiny:

For Economy and Environment Overview and Scrutiny Committee to consider the draft Capital Programme as reported to Cabinet on 9 December 2020, specifically in relation to capital schemes that fall with services under the remit of this Committee, and for feedback to be taken into account in the finalisation of the budget by Cabinet on 10 February 2021 for recommendation to Council on 25 February 2021.

Recommendations:

That:

1. The Committee are recommended to consider the draft capital budget proposals attached that relate to the remit of this committee.
2. The Committee are asked to note that consultation continues on all revenue policy proposals previously reported, and that feedback will be presented to Cabinet on 10 February 2021, along with further revenue options to close the gap to ensure we set a balanced budget for 2021/22.

Resource and legal considerations:

Cabinet, on 9 December 2020, were presented with the draft capital programme for 2021/22 to 2023/24. The full Cabinet report can be accessed at the following link:

[Draft Revenue Budget Feedback and Draft Capital Programme 2021/22 to 2023/24](#)

Background papers:

Draft Revenue Budget Feedback and Draft Capital Programme 2021/22 to 2023/24 as approved by Cabinet on 9 December 2020 (attached).

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Simon Neilson
Executive Director

12 January 2021

Appendix 1: Draft Capital Programme 2021/22 to 2023/24 – Council Funded Schemes

Capital Scheme	Detail of Capital investment	2021/22 £	2022/23 £	2023/24 £
Rolling Programme Schemes				
Memorial Safety Management in Cemeteries	The continued inspection and making safe of memorials in Walsall cemeteries and to discharge the council's duty of care within the cemeteries. Increased safety of memorials benefits the residents of Walsall by delivering a safer environment within Walsall cemeteries.	20,000	20,000	20,000
Highways Maintenance Programme	As Highway Authority the Council has a legal responsibility to maintain the highway network. Failure to do so inevitably leads to a deterioration of our roads, increasing the likelihood of accidents and would ultimately expose the council to increased risk of third party claims.	2,800,000	2,800,000	2,800,000
Total Rolling Programme Schemes		2,820,000	2,820,000	2,820,000
Prior Year Approvals				
Traffic Signals Infrastructure	The Council has a statutory duty to maintain all its traffic signal infrastructure. This programme of planned pedestrian crossing replacements will ensure the safe and efficient movement of pedestrians across the borough (Traffic Mgt Act 2004). Also supports delivery of councils CO2 reduction targets.	200,000	200,000	200,000
Provision of Community Dropped Crossings	These are dropped kerbs at strategic points along footways which permit access for wheelchairs, pushchairs, mobility scooters etc. to cross roads. The investment will allow the Council to provide a rolling programme of community crossing points.	20,000	20,000	20,000
Promotion of Community Health and Road Safety	To fund road safety schemes, to address local community concerns, which fail to achieve the strategic priorities associated with the Local Transport Plan funding in terms of casualty reduction. In supporting the delivery of these local schemes it is possible to improve local quality of life and safety creating safer communities. Year 4 of 4.	120,000	0	0
Open Water Safety Schemes - Signage etc.	Health and safety upgrades to Council owned open water sites per the Council's proposed open water policy. Year 4 of 4.	2,000	0	0
M6 Junction 10 - Widening of Bridges	Walsall Council is working in partnership with Highways England to improve Junction 10 of the M6 motorway. The scheme will include the widening of the existing bridges over the motorway to improve traffic flow and reduce congestion. In addition improvements will be made to the junction of A454 Wolverhampton Road/Bloxwich Lane/Tempus Drive and the A454 Black Country Route.	0	650,000	0
Walsall Arboretum Extn/ Park - Infrastructure Improvements	To widen and resurface the main footpath running from the Grange Car Park to the children's play area and historic core of the park, to replace the currently used wheelie bins and to improve access into and around the country park area.	190,000	0	0
New Rail Stations at Willenhall, Darlaston and Aldridge – highways package	The new rail stations at Darlaston and Willenhall are promoted by WMCA/TfWM and WMRE at an estimated total package cost of £56m based on the end of GRIP Stage 4 design. This cost is for the rail infrastructure only – track, signalling, overhead line equipment, platforms, car park and ancillary infrastructure. A package of complementary highway works is required to be developed in 2021/22 and delivered in 2022/23 by the Council ahead of the stations opening in 2023. This highways investment represents the Council	1,500,000	1,500,000	0

	contribution to these stations. Aldridge Station is entering GRIP Stage 3 and an ongoing Council commitment to scheme development is required.			
Capital Scheme	Detail of Capital investment	2021/22 £	2022/23 £	2023/24 £
Yorks Bridge (Top Up)	Yorks Bridge has suffered over recent decades and the bridge is currently the subject of a 7.5 tonne weight limit. The replacement scheme will be funded using a combination of WMBC capital funding and the Department for Transport Maintenance Block.	0	750,000	750,000
Town Centre Strategic Acquisition for Third Sector Hub	Purchase of accommodation in Walsall Town Centre to support the formation of a third sector co-located hub and provide additional office accommodation for the Council to support its ongoing rationalisation of its operational estate. Year 3 of 3. As approved by Cabinet March 2019.	219,373	0	0
Regional Materials Recycling Facility Project	Cabinet on 4 September 2019 approved for the council to enter into a Joint Working Arrangement with 5 partner councils in order to facilitate the delivery stage of a LA owned Materials Recycling Facility.	4,758,000	2,722,000	0
Enterprise Zones	Required for the Council to cash-flow borrowing costs associated with capital investment into the Enterprise Zone. Financial modelling forecasts that these costs are expected to be recovered from future business rates generated from within the zone, although the Black Country LEP are the decision making body in relation to where business rates within the zone are invested. Therefore on the basis that the BCLEP approve that costs on Walsall sites can be recovered through the business rates mechanism, then the Council will only be required to cash-flow these costs.	2,937,001	13,938,273	4,072,473
Total Prior Year Approvals		9,946,374	19,780,273	5,042,473
Current Year Approvals (2020/21)				
Waste Mgt Strategy	Strategic Acquisition of property to support the future delivery of the Council's Waste Mgt strategies.	8,890,338	3,004,788	0
Total Current Year Approvals		8,890,338	3,004,788	0
Proud investment				
Bloxwich Active Living Centre landing devpt	Development of landing and office space to extend fitness suite, create bespoke indoor cycle studio, and install virtual instructor will deliver c.£90k per annum additional income.	0	170,000	0
Total Proud investment		0	170,000	0
New Capital Schemes – Health and Safety				
Walsall Gala pool filters	Filters clean the pool water, with all of the 1.4 million litres of water passing through them every 6 hours. Project proposal is to replace current failing system with ceramic filters (new technology) which offer efficiency savings, energy savings, and are fully portable.	104,000	0	0
Brine pool air handling	The air handling system supplying the brine pool has been recommended for replacement.	65,000	0	0
Total Capital Schemes – Health and Safety		169,000	0	0
Total Draft Capital Programme – Council Funded Schemes within remit of Economy and Environment Overview & Scrutiny Committee		21,825,712	25,775,061	7,862,473

Appendix 2: Draft Capital Programme 2021/22 to 2023/24 – Externally Funded Schemes

Capital Scheme	Detail of Capital investment	2021/22 £	2022/23 £	2023/24 £
Growth Deal	The Black Country Growth Deal, 'Made in the Black Country, Sold around the World', was agreed with Government in July 2014. The Growth Deal will create the skills, connections and locations for further high value manufacturing success and support growth in the Black Country's automotive, aerospace and construction sectors. To date the programme has committed c£148m and received claims c£77m. It has contracted 3,532 jobs excluding apprenticeships and over 6,000 including them (Dep't of Communities & Local Gov). In January 2019 the Black Country Joint Committee appointed Walsall Council as its Single Accountable Body, as a result the balance of the Growing Places Fund (£5.4m) was transferred from Sandwell Council, with the funds to be used to over-programme Growth Deal.	0	5,439,498	0
LTP Highway Maintenance Programme	This capital funding, known as the maintenance block, is distributed by the Integrated Transport Authority (ITA).As the Highway Authority we have an extremely high profile duty to maintain our highway network. This money is provided, by DfT as a capital grant via the ITA with the condition that it should be spent on the classified road network. (Department for Transport via ITA).	1,943,000	1,943,000	1,943,000
Pothole Fund	This capital funding, known as Pothole Action fund, is distributed by the Integrated Transport Authority (ITA), specifically to repair pothole / prevent them forming in the first place. Based on road length data.	154,600	154,600	154,600
West Midlands Strategic Transport Plan (STP) 'Movement for Growth'	The Government provides each locality with grant funding to help implement the Local Transport Plan in their area. The grant is used for the implementation of small scale capital schemes; development of major capital schemes and to part fund major schemes implementation costs. The programme is designed to address road safety issues, progress the Council's major scheme aspirations; and resource the required 'local contributions' to approved major schemes. (Dpt for Transport / West Midlands ITA).	1,276,300	1,276,300	1,276,300
Land and Property Investment Fund	In January 2019 the Black Country Joint Committee appointed Walsall Council as its Single Accountable Body, as a result the Land and Property Investment Fund transferred from Wolverhampton Council. This is a grant which is part of the Investment Programme of the West Midlands Combined Authority for Black Country brownfield sites, and is drawn down in arrears. The Black Country LEP has agreed to deliver 1,860 new jobs, 1,600 new houses and 126,000 sqm of commercial floorspace through deployment of the first tranche (£53m) of the total fund allocated to the Black Country LEP (£150m in total).	8,548,000	0	0
Get Britain Building Fund	Funding of £66m was awarded to the WMCA by the Secretary of State for Housing, Communities and Local Government, from what is now known as the 'Get Britain Building Fund'. This fund is seen as one of many platforms to enable the Covid-19 recovery plan across the country and boost local economies. Projects submitted must be deemed Value for Money (VfM) with a strong Benefit Cost Ratio (BCR), 'Shovel Ready' with planning permission approved and able to deliver within an 18-month timescale. Two of these projects were Black Country projects, and the WMCA are passporting the funds for these two projects (NBI and VLR) to Walsall Council as the Single Accountable Body for the BCLEP. £13m in 2020/21.	17,447,800	0	0
Total Draft Capital Programme		29,369,700	8,813,398	3,373,900

- Externally Funded Schemes within remit of Economy and Environment Overview & Scrutiny Committee			
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Appendix 3: Draft Capital Programme 2021/22 to 2023/24 – Council Funded Schemes - Reserve List Allocations

Capital Scheme	Detail of Capital investment	2021/22 £	2022/23 £	2023/24 £
Cemetery & Crematorium - replacement roads and pathways, along with selected pothole works	The bid is to fund the pro-active repairs of roads and pathways. The council manages in excess of 125 acres of cemetery land in eight cemeteries. The repairs would be scheduled on a priority basis dependent on footfall and condition.	100,000	100,000	100,000
Registry Office Phase 2 - redesign to reception and ceremony areas	Access by the public to the facilities is divided without internal public access. The small reception area for all appointments, births and death registration as well as marriage notices, is located on one side of the ceremony rooms. Access to offices for taking notices of marriage is on the other side. Customers are required to leave the reception and go around the outside of the building to these offices. The relocation has the potential for the main ceremony room to be upgraded and extended to provide room for larger marriage ceremonies. This will generate increased income and offer an appealing choice of marriage venue.	350,000	0	0
Oak Park meeting room remodel - Spend to Save	Opportunity to remodel the vacant office area to income generating facilities (meeting room).	50,000	0	0
Darlaston Boilers	Boiler replacement (all hot water and heating).	250,000	0	0
Total Draft Capital Programme – Council Funded Schemes Reserve List - within remit of Economy and Environment Overview & Scrutiny Committee		750,000	100,000	100,000