

Scrutiny Overview Committee

9 NOVEMBER 2021

Draft Revenue Budget and Draft Capital Programme 2022/23 – 2025/26

Ward(s) All

Portfolios: All - specifically in relation to services within the Committee's remit -
Cllr M Bird – Leader of the Council
Cllr A Andrew – Regeneration (Customer - Money Home Job)
Cllr G Perry – Resilient Communities (Partnerships)
Cllr M Statham – Internal Services

Executive Summary

The draft revenue and capital budget, as reported to Cabinet on 20 October 2021, provides an updated medium term financial outlook, draft revenue budget for 2022/23 to 2025/26 (including savings proposals for consultation), draft capital programme for 2022/23 to 2025/26, and sets out the process and timescale for setting a legally balanced budget for 2022/23.

Our MTFO has been updated for all known pressures, including best professional assumptions around the ongoing impact of Covid-19. The Council is legally obliged to set a one year balanced budget (2022/23), however a medium term approach is beneficial to allow for sound financial planning and to support future financial stability. This report presents a balanced budget for 2022/23 and a number of savings proposals for 2023/24 and 2024/25, however further options are being identified to allow for a balanced budget over the period 2023/24 to 2025/26 aligned to the Corporate Plan and Proud activity. The assumptions include a 1.99% council tax increase, in line with current referendum assumptions.

The Governments Spending Review was on 27 October 2021 alongside the Chancellors Autumn Budget statement. This will enable us to analyse the impact of core funding on our budget assumptions over the next review period, and report back to Cabinet in December on the impact for the 2022/23 budget and MTFO for future years. Our current funding and cost assumptions are set out in this report, therefore they are subject to change.

Scrutiny Overview Committee are asked to consider the Draft Revenue and Capital Budget report as presented to Cabinet on 20 October 2021. Those revenue investments and savings proposals, and capital schemes, relating to services within the specific remit of this Committee are highlighted grey in the report for ease of reference.

Feedback from this Committee on the draft revenue and capital proposals will be reported back to Cabinet on 15 December 2021. This will inform the final draft budget to be considered by Cabinet on 9 February 2022 to be recommended to Council on 24 February 2022. Any changes to Cabinet's draft revenue and capital budget proposals as

a result of equality impact assessments and consultation will be fed into the final budget report.

Reasons for Scrutiny

To enable consultation of the overall draft revenue budget proposals for the council as a whole, and for services within the remit of this Committee.

Recommendations:

That:

1. The Committee are recommended to consider the draft revenue budget proposals contained at Appendix 1 and 2 within the attached Cabinet report. Those investments and savings relating to specific services within the remit of this Committee are shaded grey for ease of reference.
2. The Committee are recommended to consider the draft capital programme contained at Appendix 3 and 4 within the attached Cabinet report. Those capital schemes relating to specific services within the remit of this Committee are shaded grey for ease of reference.

Background papers:

Various financial working papers.

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Cabinet – 20 October 2021

Draft Revenue Budget and Draft Capital Programme 2022/23 – 2025/26

Portfolio: Councillor M. Bird – Leader of the Council (Lead Portfolio)

Related Portfolios: All

Service: Finance – council wide

Wards: All

Key decision: No

Forward plan: Yes

1. Aim

- 1.1 To provide an updated medium term financial outlook, draft revenue budget for 2022/23 to 2025/26 (including savings proposals for consultation), draft capital programme for 2022/23 to 2025/26, and set out the process and timescale for setting a legally balanced budget for 2022/23.

2. Summary

- 2.1 The 2021/22 budget was approved by Council on 25 February 2021, and is monitored and reported to Cabinet throughout the year to address any performance issues and manage key risks and pressures as they arise. 2021/22 has been a particularly challenging year, with the global pandemic impacting greatly on service delivery and financially. Emerging service pressures and Covid-19 have required action to be taken to limit the council's financial exposure. These actions continue to try and ensure that the budget is balanced at year-end, with a sufficient level of reserves to manage existing liabilities and emerging risks which may arise in 2022/23, including the unknown ongoing impact of Covid-19.
- 2.2 The report covers the four year period 2022/23 to 2025/26, including:
- An update on the Medium Term Financial Outlook (MTFO), based on known pressures and assumptions for 2022/23 to 2025/26;
 - Proud savings proposals identified to date to deliver a balanced budget for 2022/23 by February 2022 and savings in relation to 2023/24 to 2025/26;
 - A draft capital programme for 2022/23 to 2025/26;
 - The timeline for the setting of the revenue budget and capital programme, including stakeholder consultation and equality impact assessments (where required).

- 2.3 The Council continues to respond to the ongoing unprecedented financial challenges imposed by Covid-19. As well as the initial costs of funding the council's response, the impact of Covid-19 includes significant loss of income following closure of services and facilities; an impact on the council tax and business rates income; and some delay to the delivery of some approved budget savings as the council has continued to focus its resources on its response to Covid-19. This has ongoing implications into 2022/23 and beyond as the council adjusts its financial plans to accommodate changes in demand and income into the longer term.
- 2.4 The Government have confirmed that the next Spending Review will take place on 27 October 2021 to cover a three year period, alongside the Chancellors Autumn Budget statement. This will enable us to analyse the impact of core funding on our budget assumptions over the next review period, and report back to Cabinet in December on the impact for the 2022/23 budget and MTFO for future years. Our current funding and cost assumptions are set out in this report, therefore they are subject to change.
- 2.5 The Spending Round in 2020 confirmed that the Government will not proceed with the implementation of the Review of Relative Needs and Resources (formerly the Fair Funding Review) and 75% Business Rates Retention in 2021/22. The reset of accumulated business rates growth will also not take place in 2021/22. These decisions were reported as allowing both the Government and councils to focus on meeting the immediate public health challenges posed by the Covid-19 pandemic. Government may outline their plans as part of the Spending Review on 27 October 2021, although it is considered unlikely that any changes will come into effect in 2022/23. This report assumes no changes arising from these reviews until we have further government direction.
- 2.6 Our MTFO has been updated for all known pressures, including best professional assumptions around the ongoing impact of Covid-19. The Council is legally obliged to set a one year balanced budget (2022/23), however a medium term approach is beneficial to allow for sound financial planning and to support future financial stability. This report presents a balanced budget for 2022/23 and a number of savings proposals for 2023/24 and 2024/25, however further options are being identified to allow for a balanced budget over the period 2023/24 to 2025/26 aligned to the Corporate Plan and Proud activity. The assumptions include a 1.99% council tax increase, in line with current referendum assumptions.
- 2.7 To ensure the budget process and delivery of savings is informed by a clear purpose and key council priorities, the Corporate Plan and Proud objectives are being used to shape future service delivery proposals through Proud service transformation plans.
- 2.8 The draft capital programme for 2022/23 is balanced and totals £62.27m. It sets out new capital investment funded from the council's own resources of £38.41m (funded by capital receipts and borrowing) and externally funded schemes of £23.86m (funded by capital grants) and represents a balanced programme for 2022/23. In addition, the report sets out a further three years of indicative proposals to 2025/26. Despite reductions in capital funding in recent years and going forward, the draft capital programme contains significant investment into highways, education, and into

adult social care and housing to support vulnerable households through Health through Warmth and provision of aids and adaptations.

- 2.9 The council's Medium Term Financial Framework (MTFF), reviewed regularly by Cabinet, is the framework within which the council's financial planning and management is undertaken and its budget set. The main objectives of the Framework are to set out how the council will structure and manage its finances now and in the future and to ensure this approach facilitates delivery of the council's aims and objectives.
- 2.10 The final budget, including: any changes arising from consultation and equality impact assessments of saving proposals; referendum principles and tax base changes; the S151 Officers S25 Statement on the Robustness of the Budget Estimates and the Adequacy of Reserves, recommended levels of reserves and contingencies; and the final allocation of direct Government funding and other specific grants, will be presented to Cabinet on 9 February 2022 for recommendation to Council, and will be considered by full Council on 24 February 2022.

3. Recommendations

Cabinet are requested to:

- 3.1 Note the revised financial assumptions and projections within the draft revenue budget, the uncertainty around core funding, and that these assumptions will change as the budget progresses. Along with savings already identified and reported within the Budget report to Council in February 2021, this represents a balanced budget for 2022/23.
- 3.2 To note the policy proposals for 2022/23 as set out in section 4.30(i) and Appendix 2A.
- 3.3 Approve the operational savings for 2022/23 to 2023/24 set out in appendix 2B of this report, and instruct officers to implement these under officer delegations, subject to any required consultation, equality impact assessment, and any changes arising as a result of the latter two, including the reprofiling of £888k for saving OP3 Early Help restructure into 2022/23, as referred to in section 4.30(ii).
- 3.4 Approve as a basis for consultation the current draft capital programme of £62.27m for 2022/23 in section 4.32 to 4.46.
- 3.5 Refer this report to Scrutiny Overview Committee on 13 December 2021, to enable the Committee's comments to be considered by Cabinet. All Scrutiny Committees will also receive proposals relating to the individual remit of each Committee.
- 3.6 Note that the medium term financial outlook position assumes an increase in council tax of 1.99% in 2022/23 and future years, the assumed level of "reasonableness" in respect of the current referendum principles. This currently assumes no precept for Adult Social Care. Any changes will be reported back to Cabinet in December 2021.

- 3.7 Refer the budget for Statutory Consultation with National Non Domestic Rate (NNDR) payers in respect of the current council tax assumptions and potential implications should the referendum principles change.
- 3.8 Note that the level of contingency funds and general reserves will need to be in line with the levels set out within the council's MTFF, the final level to be based on a detailed risk assessment, which will be reported to Cabinet and Council in February 2022.

4. Know - Context

Key Timeline

- 4.1 The approach to budget setting for 2022/23 and associated timeline were reported to Cabinet on 21 July 2021 and can be accessed at the following link: [Approach to Budget Setting](#). The following sets out the key activities and reporting dates, following publication of this report:
- Stakeholder consultation commencing 21 October 2021, including employee and trade union consultation.
 - Statutory consultation with NNDR payers.
 - Scrutiny Committees receive the draft revenue budget and draft capital programme from 28 October 2021 with subsequent feedback to Cabinet.
 - Budget briefings for political groups and independent members, as required.
 - Cabinet on 15 December 2021 - Autumn Budget, Spending Review from 27 October 2021 and Provisional Settlement.
 - Council tax base to be approved by the S151 Officer by January 2022.
 - Receipt of the final settlement late January / early February 2022.
 - Recommendation of the final budget by Cabinet on 9 February 2022.
 - Council set the final budget envelope (statutory determinations), council tax and capital programme on 24 February 2022.

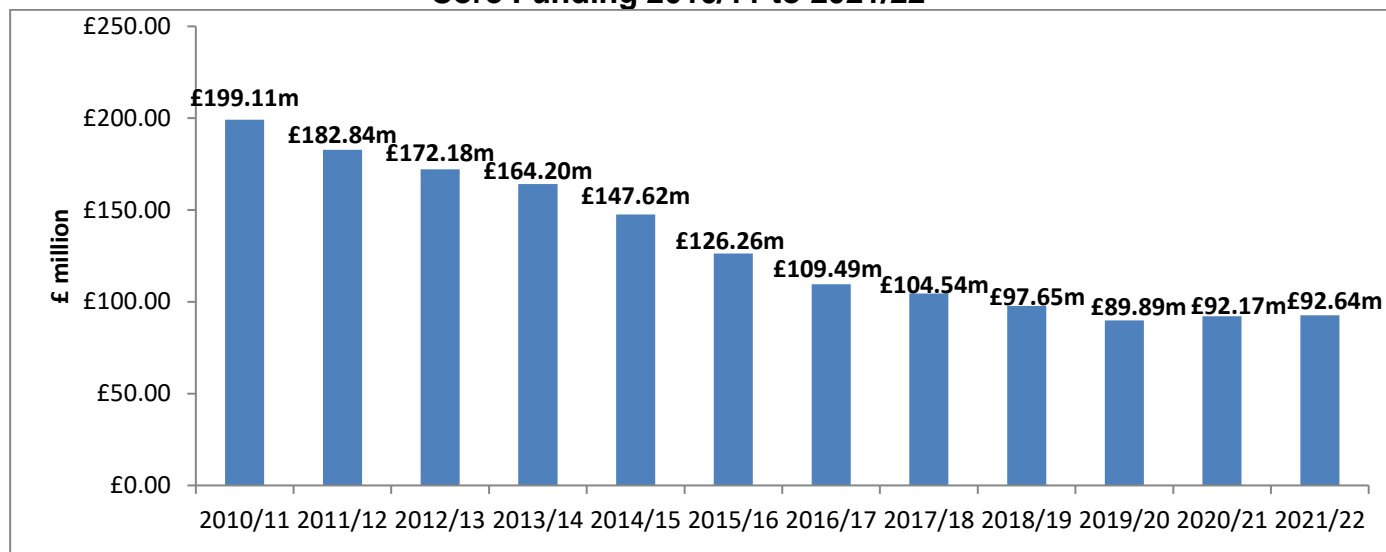
Walsall's Financial Context

Government central funding and business rate retention

- 4.2 Like all other public sector bodies, Walsall has seen government grant funding reduce since the Emergency Budget of 2010 when the Government set out its initial plans to reduce the overall Government deficit. This has continued in successive government Spending Reviews until 2020/21 when the one year Spending Round confirmed that no government department would see a cut to its budget with all being increased by at least inflation for that year. This approach continued for 2021/22, and we await the outcome of the next Spending Review confirmed for 27 October 2021, which is expected to cover the three year period 2022/23 to 2024/25. Whilst overall funding increased for 2021/22, a heavy reliance was placed on individual authorities' ability to raise a local Adult Social Care Precept through council tax, and provision of one-off rather than recurring grant funding. Given the heavy reliance on Walsall Council on Government grant funding a more sustainable, longer term financial solution is required from Government to support future service and financial stability.

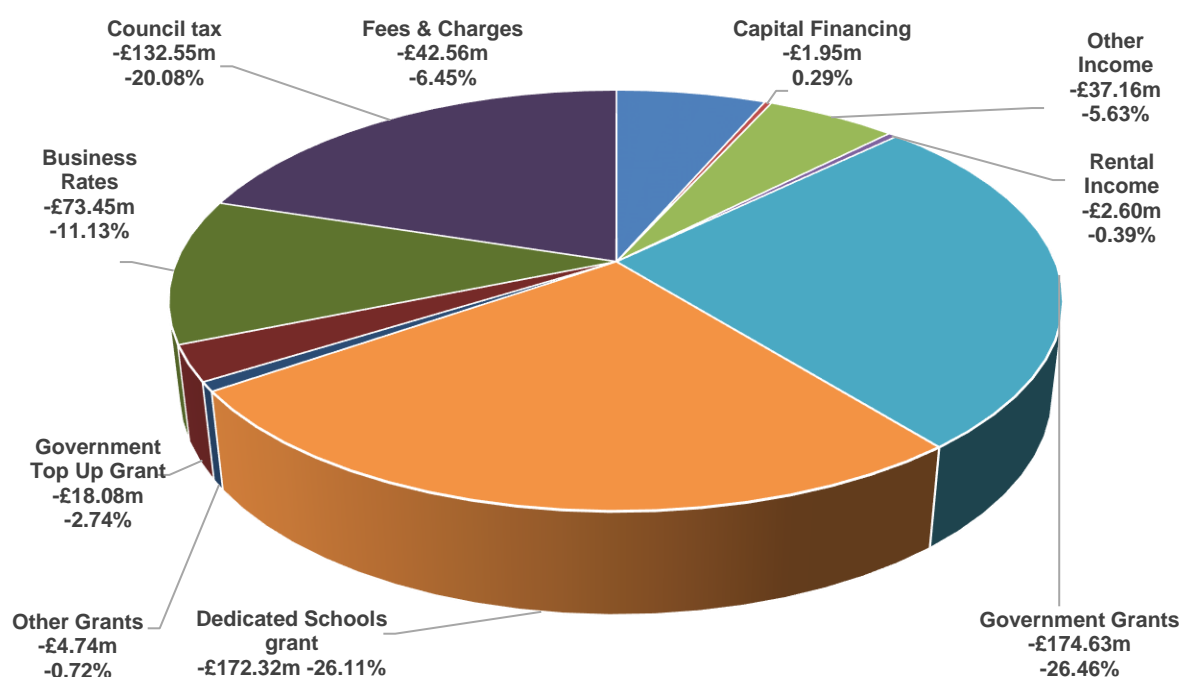
- 4.3 Government austerity measures have meant our direct funding has reduced considerably from 2010, with a loss of core revenue funding (revenue support grant, top up grant and business rates, net of rolled in grants) of c£106.47m to 2021/22. There remains considerable uncertainty in government funding going forward from 2022/23 as no announcements have yet been made.

Core Funding 2010/11 to 2021/22



- 4.4 Walsall receives much (c66%) of its c£660m of funding for 2021/22 from central Government, including the core Funding Settlement - 14% (a combination of local business rates retention through 100% business rates pilot within the West Midlands, and top up grant direct from Government), core Schools Grant - 26% (dedicated schools grant/DSG which is passported direct to schools) and Government grants for specific services - 26% (Housing Benefit, Public Health, Better Care Fund etc). Income is summarised in the following pie chart.

Sources of Funding:

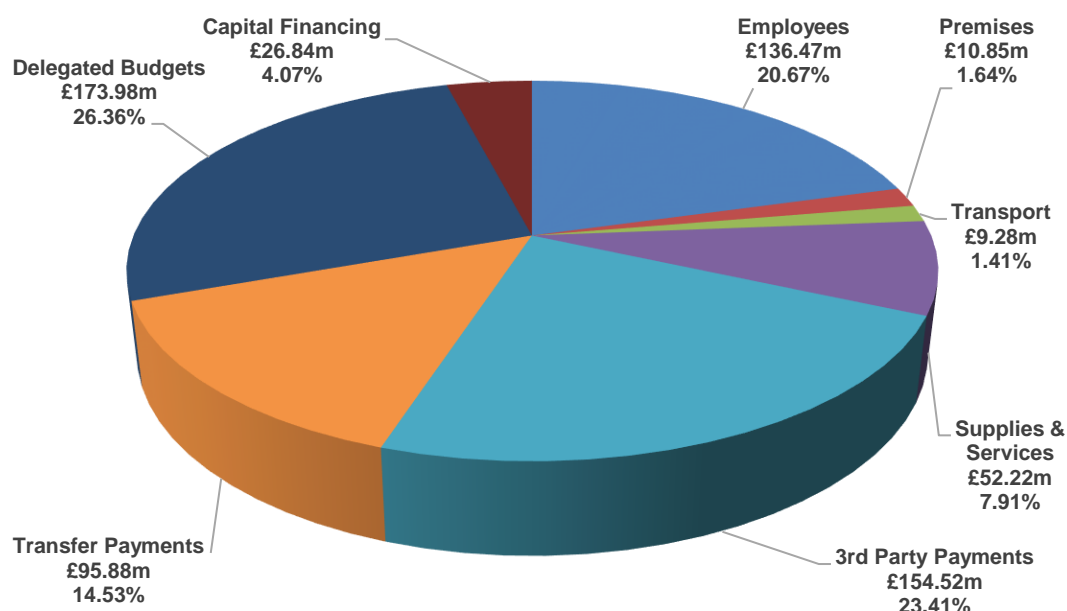


- 4.5 The Government replaced the way it funds councils with a new scheme known as Business Rate Retention (BRR) from April 2013. A review of the scheme by government to amend the % of retained business rates from 49% to 75% was due to be finalised by 2020/21 but due to delays this has not been fully undertaken and introduced. The review is still on-going and further plans may be announced by the Government as part of the next Spending Review on 27 October 2021.
- 4.6 From 2017/18, Walsall has been part of the West Midlands Combined Authority (WMCA) 100% business rate retention (BRR) pilot. Government agreed that this would be at 'no detriment' to participating authorities; however, there remains some uncertainty as to the future final impact of national policy in respect of BRR. Walsall assumes we will continue with 100% business pilot for 2022/23 onwards at this point in time until we have any further direction.
- 4.7 Government set Walsall a baseline figure under the business rates retention scheme of £92.70m for 2021/22 which is made up of the business rates local share and top up grant. They also set a safety net threshold of £89.92m for 2021/22. If the safety net threshold is triggered, then any income loss below the threshold is funded by government. Any shortfall between £92.70m and £89.92m has to be borne by the council (99%), and fire authority (1%). Walsall is currently estimating the baseline to be £91.54m, slightly below the government baseline and so no safety net would be payable. Volatility in business rates will therefore need careful monitoring throughout the year, particularly the impact of the pandemic on businesses.
- 4.8 Between BRR and top up grant this equates to 13.87% of our total funding. Along with other Government grants (public health, better care fund, adult social care grant etc but excluding DSG), the total equates to 40.33% of the council's funding (excluding schools).
- 4.9 The future financial environment continues to be challenging for councils for 2022/23 and beyond, with significant uncertainties in future grants, including public health, better care fund, etc. Whilst Walsall can now keep business rates generated within their area rather than pooling for national redistribution, this benefit is limited by other parts of the funding mechanism, such as Government top slicing of funds to meet new burdens, safety net authorities, national capitalisation targets, etc and the additional risk of reliance on collection rates. Additionally, as part of BRR, the Government is consulting on transferring additional responsibilities to local authorities. This could lead to further pressures if these are not fully funded.
- 4.10 The council's second largest source of funding is council tax (20.08% of the council's gross spend is funded from council tax), which continues to be subject to Government restrictions on the amount that can be raised from this income stream, previously through 'capping', and now through the referendum principles. The budget currently assumes council tax increases of 1.99% over the next three years, with no specific increase for Adult Social Care activity. However, the Government Build Back Better policy paper on health and adult social care, published on 7 September 2021 suggests that a precept for 2022/23 may be being considered by Government. Referendum principles are yet to be confirmed.

- 4.11 Alongside reductions in funding, the council also faces increasing cost pressures, due to both increasing demand (for example, as a result of welfare reforms reducing individuals disposable incomes further, larger numbers of older people requiring support to remain independent, etc) and new burdens imposed by Government, but without the corresponding full funding given.

In relation to how this funding is spent, the following pie charts provide further detail.

Gross expenditure by type of expenditure



Notes

- *Transfer payments include expenditure such as housing benefits, rent allowances and social services direct payments – for example payments for which no goods or services are received in return by the local authority.*
- *Delegated budgets include budgets for schools, community associations and allotments.*
- *Third Party Payments include payments to external contractors.*

Gross expenditure by outcome

Proud activity is developed around the following ten key outcomes, aligned to council Corporate Plan priorities:

Economic Growth;

- Creating an environment where business invests and everyone who wants a job can access one
- Education, training and skills enable people to fulfil their personal development

People;

- People live a good quality of life and feel they belong
- People know what makes them healthy and they are encouraged to get support when they need it

Internal Focus;

- Internal services deliver quality and adapt to meet the needs of customer facing services
- Services are efficient and deliver value for money

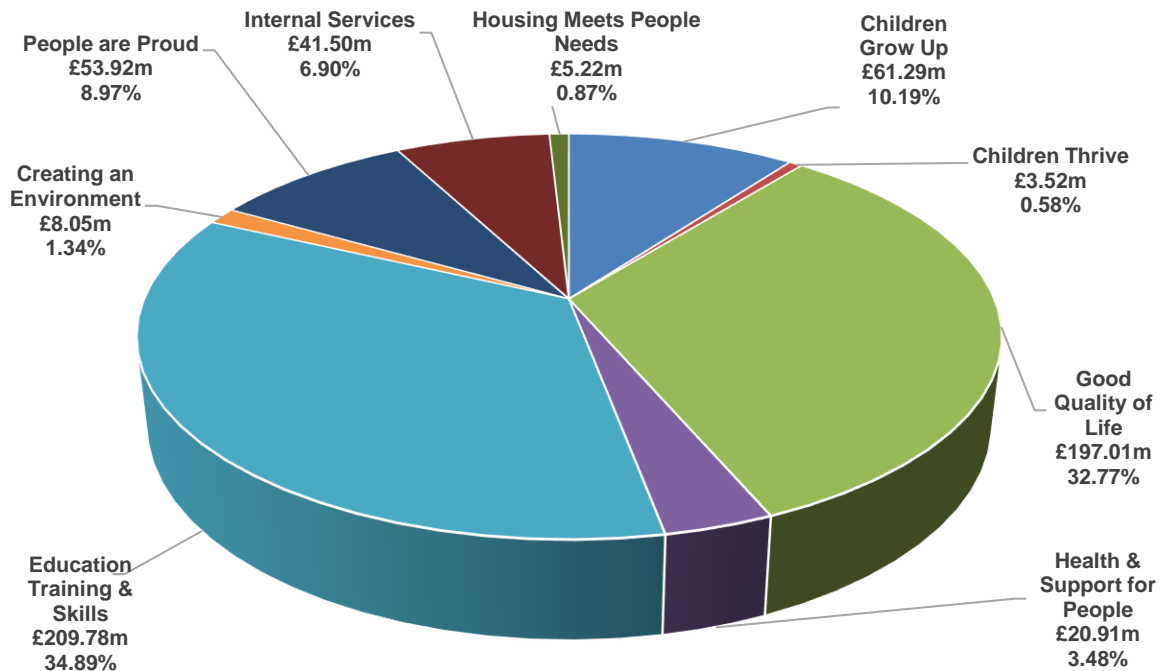
Children;

- Children thrive emotionally, physically, mentally and feel they are achieving their potential
- Children grow up in connected communities and feel safe everywhere

Communities;

- Housing meets all people's needs, is affordable, safe and warm
- People are proud of their vibrant town, districts and communities

Council services are aligned to the above outcomes. The following summarises the gross expenditure by outcome (*excluding centrally held and capital financing*) -



4.12 In summary the main areas of uncertainty and pressure are:

- The existing and future unknown ongoing impact of Covid-19, including ongoing cost pressures and reductions in income as a result of a reduced take up of Council services. The knock on impact of Covid-19 also includes delays in delivery of some approved 2021/22 Proud savings of £598k, which are expected to be fully implemented in 2022/23;
- Continued reductions in core government grant funding, for example:
 - Impact of full business rate retention (BRR) and revaluation;
 - Impact of the Government's next Spending Review on 27 October 2021; and implementation of the Review of Relative Needs and Resources (formerly the Fair Funding Review) to include the setting of new baseline funding allocations, subject to confirmation. The Government may outline their plans as part of the Spending Review, although it is considered unlikely that any changes will come into effect in 2022/23;
 - Continuation or otherwise of other specific grants e.g. public health, improved better care fund, social care, troubled families, etc;
- Increases in demand:
 - From an ageing population, increased costs in care packages and the impact of Covid-19 putting a strain on local authority systems both in financial and

- operational terms. For example, adult social care packages and placements costs have risen by £15.87m from £56.21m in 2010/11 to £72.08m in 2020/21;
- For children and young people in care, and the associated impact on numbers of social workers, and costs required to support these children. In March 2018, there were 930 children and young people receiving care or support from the local authority (644 looked after children / 286 non looked after children) with an average cost per placement of £735 per week for looked after children and £141 per week for non-looked after children.

In comparison, in March 2021 there were 1,063 children and young people receiving care or support from the local authority (673 looked after children / 390 non looked after children) with an average cost per placement of £1,089 per week for looked after children and £198 per week for non-looked after children.

This cost increase is mainly attributable to annual increases in market cost as well as an increase in the complexity and level of support needed for some children and young people currently receiving care and support from the local authority. For information, non-looked after children includes placements such as supported accommodation, special guardianship orders, care leavers & residence orders.

- Government reliance on individual council's ability to raise income through council tax increases, rather than providing national ongoing funding to support social care pressures, etc;
- Welfare reform, including universal credit;
- Increased corporate costs, including costs in relation to pay and pensions and potentially national insurance (from the Governments Social Care Reform Paper 'Build Back Better' to fund a Social Care Levy). The Government announced on 7 September 2021 a Social Care Reform Paper 'Build Back Better – Our Plan for Health and Social Care' to make an additional £12 billion per year for health and social care on average over the next three years, which aims to support LA's being put on a sustainable financial footing post the pandemic. This will be funded by a new, UK-wide 1.25 per cent Health and Social Care Levy introduced from April 2022, ringfenced for health and social care. This will be based on National Insurance contributions (NICs) and from 2023 will be legislatively separate, and will also apply to individuals working above State Pension age. We anticipate this will cost the council c£788k in employee NI contributions, which should be compensated for through s31 grant.

- 4.13 Since the Emergency Budget 2010, the council has reduced its spending by £230m, £106m from a reduction in Government grant and £124m from cost pressures. In considering future resource allocation, funding for the development of services will need to be met from the redirection of existing resources, reducing existing spend and the identification of new or revised income sources. The council will need to continue to do things differently and do different things, and in some case stop doing things that are not in line with corporate priorities.

Draft Revenue Budget 2022/23 to 2025/26

Budget Approach / Framework

- 4.14 Cabinet on 21 July 2021 approved the budget approach for 2021/22 to 2025/26 (and can be accessed at [Approach to Budget Setting](#)). Resources are allocated and budgets set within a framework of protocols and guidelines, in particular the council's Corporate Plan and MTFF. Decisions have to be made about how to achieve a balanced budget in the context of the needs of the borough and also to ensure that we continue to care for the most vulnerable in our communities. Whilst it is recognised that full Council will only set the council tax bands for 2022/23 in February 2022, the budget will continue to take a four year view, allowing for a more strategic focus to service re-design and savings aligning the finances more directly to the objectives, outcomes and markers of success of the council and maintaining/improving performance against these.

Maximising Outcomes through Budgeting 2022/23 onwards

- 4.15 Finance and the corporate management team (CMT) have been assessing the best approach to mapping the council's financial envelope to the delivery of the council's key priorities, measures of success and outcomes. Finance have started work with all services to work more collaboratively on a new outcomes based process aligning spend more accurately to the council's agreed deliverables building on the work previously undertaken to map the gross and net expenditure of the council by outcomes as well as benefits delivered/ to be delivered within the corporate Budget Plan.
- 4.16 This is being aligned to the Corporate Plan/direction of travel work for 2022/23 onwards which will be presented to Cabinet during December as draft and then Cabinet and Council in February 2022 as final to approve and endorse the council's key outcomes and ambitions. This will feed into the commissioning and financial strategies at the end of the 2021/22 financial year. This will then fully inform the 2023/24 budget process starting in Spring 2022 where the 2022/23 budget will be fully mapped to the council's key outcomes in the Corporate Plan 2022-25.
- 4.17 The updated direction of travel approach will set out how the budget will be aligned to deliver the desired outcome i.e. through different amounts of delivery, coordination, influencing, signposting or regulating. A review of the current delivery model will be undertaken alongside the direction of travel and re-prioritised where appropriate to maximise value for money and overall delivery of outcomes and ensuring the 2023/24 onwards budget is built and developed on this moving forward.

Medium Term Financial Outlook (MTFO) and Revisions to Assumptions

- 4.18 Following national and local changes since the 2021/22 to 2023/24 budget was set in February 2021, the MTFO has been rolled forward (with 2024/25 and 2025/26 added), reviewed and updated to reflect ongoing changes in council demand during the current year and updated projections of future demand, income projections and costs in the light of Covid-19. It has also been updated to reflect changes in core and local funding. The resulting council tax requirement arising from funding and investment assumptions from 2022/23 to 2025/26 is shown in **table 1**.

Table 1: Council Tax requirement				
	2022/23 £m	2023/24 £m	2024/25 £m	2025F/26 £m
Council tax Requirement	132.55	136.14	139.82	143.60
Cost Pressures:				
Growth / Investment (Appendix 1)	23.64	11.21	10.40	10.10
Central growth – Pay/Pensions	4.52	6.82	5.32	5.32
Savings plans identified (Appendix 2)	(20.14)	(6.09)	(0.26)	
Other savings to be identified – see movement in target in table 2 below		(10.25)	(18.41)	(15.23)
Other movements / funding changes:				
Other changes including grants / income	(1.95)	(5.86)	4.31	0.56
Core Funding changes	(0.66)	4.12	2.42	3.12
Collection fund (surplus) / deficit	1.32	0	0	0
Transfer to / (from) reserves	(3.14)	3.73	0	0
Revised Council Tax Requirement	136.14	139.82	143.60	147.47
Council Tax Increase	1.99%	1.99%	1.99%	1.99%

Primarily, growth covers:

1. *Provision for pay and pensions (corporate cost pressures) and contractual inflation:*
 - Annual pay increase and provision for pay increments;
 - Impact of pension auto-enrolment and tri-annual employer pensions contributions based on the latest valuation information. Work is currently being undertaken by the pension fund to provide details for the next 3 years;
 - Provision for contractual increases;
 - No provision for general inflation – services are required to manage this within existing budgets.
2. *Demand and demographic changes within Services (demand led cost pressures):*
 - Increases in placements/costs for Looked after children;
 - Increased care packages/costs within Adult Social Care arising from an increased ageing population;
 - Covid-19 cost pressures across all services;
 - Waste collection and disposal costs.
3. *Other service based pressures:*
 - Funding of ongoing income shortfalls e.g. Active Living, Car Parking, Penalty charges etc;
 - Fall out of grant;
 - Provision for contractual inflation;
 - Shortfall in fees and charges income.
4. *Other central provisions:*
 - Review of capital financing, treasury debt and investment portfolio;
 - Revenue implications of capital programme;
 - Investment linked to Proud transformation activity.

- 4.19 **Tables 2 and 3** summarise the movements in the MTFO, including changes to investments, resulting in a revised saving requirement (MTFO gap – **table 2**). Further detail is provided in the following sections on revised assumptions. This would amend the original MTFO as follows, with a gap over the period of £70.43m (£66.79m original plus revised assumptions impact of £3.64m) in total, including £43.88m of savings still to be identified.

Table 2: Movement in Saving requirement / Gap					
	2022/23 £m	2023/24 £m	2024/25* £m	2025/26* £m	Total £m
Savings required per Council February 2021 (in line with original MTFO)	22.01	14.52	17.10	13.16	66.79
Revised savings requirement as above	20.14	16.33	18.67	15.23	70.37
Variance – increase (decrease)	(1.87)	1.81	1.57	2.07	3.58

Table 3: Movement in savings requirement - detail					
	2022/23 £m	2023/24 £m	2024/25* £m	2025/26* £m	Total £m
Savings required per Council February 2021 (in line with original MTFO)	22.01	14.52	17.10	13.16	66.79
Funding changes					
Core funding changes	0.45	(0.45)	0.61	0.00	0.61
Collection Fund changes	0.25	0.00	0.00	0.00	0.25
Additional investment / growth					
Covid-19 related investment	4.75	(2.07)	(0.68)	(0.20)	1.80
Service investment	5.09	2.57	1.72	1.63	11.01
Central investment	1.55	0.25	0.46	0.00	2.26
Other changes					
Central adjustments	(11.21)	(0.64)	(1.00)	0.50	(12.35)
Use of earmarked reserves	(2.75)	2.15	0.46	0.14	0.00
Savings identified / to be identified	20.14	16.33	18.67	15.23	70.37

** 2024/25 and 2025/26 have been added to rolling MTFO for first time and therefore was not included in the February budget report.*

The main changes in MTFO assumptions are as follows:

Core funding changes

New homes bonus grant funding falls out a year earlier than in our previous assumptions in light of more recent consultation.

Collection Fund changes

The council tax base is a calculation of the number of chargeable dwellings in the Borough. The number has reduced due to an increase in claimants eligible for the council tax reduction scheme, arising from the current financial climate caused in the main by Covid-19. This has resulted in a forecast reduction in income of c358k for 2022/23.

This is offset overall by £608k of additional council tax income as the previous assumptions includes a £608k deficit. Latest projections suggest only a very small deficit, therefore any deficit has been removed. The final forecast will be calculated once the council tax base has been set in January 2022 and will be reflected in the final budget report.

Additionally, there is a technical NNDR income shortfall of £29.72m. This relates primarily to the Government's Covid-19 support to businesses and this figure was not finalised at budget setting time as returns were being assessed by Government to finalise the impact. This will be funded from a combination of expended retail relief government grant (£26.93m), 75% irrecoverable losses grant (£2.17m) and the business rates retention reserve (£625k).

Covid-19 related investment

This is the on-going expected financial impact relating to Covid-19 and includes the following:

- Adult Social Care demographics £1.49m - During 2020/21 there was a significant increase in the number of clients receiving care packages. This is partly due to an increase in care packages relating to hospital discharges and additional demand relating to Covid-19. Hospital discharges received Clinical Commissioning Group (CCG) funding in 2020/21 and are part funding for 2021/22. It is currently assumed no further funding will be received in 2022/23, resulting in additional growth required;
- Demand increase in young people in care £793k - based on a number of children having delays in stepping down placements (mostly safeguarding orders, adoptions and returning to families) caused by delays in court hearings. Therefore, they are remaining in higher cost placements for longer periods of time;
- Loss of income in relation to active living centres (ALC) and car parks, which is substantially due to Covid-19, and additional growth assumptions have been included, as set out below:
 - ✓ Active Living Centres £413k – it is now assumed that income will return to pre-Covid-19 levels by 2023/24, with ALC at 80% of previous levels in 2022/23;
 - ✓ Car parking £324k - income for 2022/23 is assumed at 75% of pre-Covid-19 occupancy as people continue to shop on line and a continued level of working from home, and then up to 87.5% in 2023/24;
 - ✓ Loss of enforcement income £124k - based on car park penalty notices at 80% and bus lane penalty notices at 90% in line with witnessed recovery rates;
- Waste tonnage costs £535k and penalties for co-mingled waste £70k - based on current data, costs have been uplifted and then phased out by 2024/25, as it is expected that levels post Covid-19 will remain higher as there will be a blended approach to (home) working in general;
- Continuation of income losses £1m - given the ongoing uncertainty, the MTFO has been adjusted to include a one-off investment of £1m held centrally to cover any further continuation on loss of income in relation to Covid-19, for example in the areas identified above, bereavement services, etc. It is currently assumed that most of the loss of income impact will be phased out by 2024/25.

Additional Service Investment

- Adult and Children's Social Care:
 - ✓ Demand changes £1.63m in 2022/23 and £4.8m over the MTFO period based on latest data. Updated costs are based on March 2021 client mix/numbers plus trend data; as at March 2021, there were 3,097 active residential nursing, domiciliary care and direct payment clients, which was 242 above budgeted levels;
 - ✓ Direct payment refunds to clients £228k - assumed to reduce on the basis that review work / the payment audit process will reduce overpayments;
 - ✓ A report is being prepared for Cabinet approval in relation to ASC domiciliary care capacity issues which, if approved, will generate additional costs of £1.2m in a full year. For 2021/22 this is being managed through COMF funding, but will not be available in 2022/23;
 - ✓ Single handed review £274k.
- Children's Services:
 - ✓ Demand increase in young people in care £344k in 2022/23 and £976k over the MTFO period - based on increased costs, the mix of children & young people in care and a net increase in 69 children based on current data and forecasts;
 - ✓ Early Help £303k - Additional investment to accommodate the ongoing rise in EHCP assessments;
 - ✓ Home to School Transport £940k in 2022/23 and £4.10m over the MTFO period - Additional costs due to increased demand.
- Economy, Environment & Communities:
 - ✓ Contractual cost increases of £100k in 2022/23, £480k over 2024/25 to 2025/26;
 - ✓ Coroner income shortfall £50k;
 - ✓ Economic Growth Programme (EGP) no impact in 2022/23, £1.9m impact over 2023/24 to 2024/25 – the costs of the EEC/R&T programme team are primarily funded from external funding - the revised figures assume the team is funded from revenue as existing external funding streams come to an end. Whilst it is prudent to have an element of core team funded from revenue, it is also expected these will be replaced by other streams to some extent, therefore further consideration is to be given to this area and the right amount of growth to be included;
 - ✓ Capital income shortfall £25k.

Central Investment / Adjustments

- Investment of £300k to fund the Hub;
- Investment property income shortfall £250k in 2022/23;
- Connected working - ongoing investment of £243k from 2023/34 (when Proud funding falls out) for the permanent element of the structure;
- MRP – ongoing investment of £462k from 2024/25;
- Removal of base budget for transformation (£6m in 2022/23) from 2022/23. This level of investment is no longer required, as there is an earmarked reserve to accommodate further transformation once the Proud programme has delivered the current benefits. This will be kept under review and the reserve topped up as required;
- A review of the workforce planning provision, which funds redundancy and pension strain costs, has released funds in 2022/23 with this gradually being re-phased

back from 2024/25 onwards. The existing earmarked reserve is considered sufficient to manage restructure costs over the next 2 to 3 years;

- Removal of airport equity investment from central budgets £700k;
- Reduction in contractual inflation budget of £610k.

Use of earmarked reserves

- A number of the above pressures relate to the medium term impact of Covid-19, as such it is appropriate to fund these from reserves, as they are considered to be one-off, for example as income levels return closer to pre-Covid-19 levels. There are sufficient earmarked reserves set aside for reset to cover these costs without a call on general reserves (£2.47m);
- Funding one off investment for the single handed review from reserves of £274k.

4.20 Further to the changes in assumptions, the draft budget 2022/23 – 2025/26 includes provision for growth and investment of c£55m, as shown in **Appendix 1**. There is a further £4.52m of pay and pension related investment to be allocated to services in 2022/23 once the pay award and pension valuation have been agreed.

4.21 Assumptions will be kept under continual review and may change as the budget process progresses. Core funding will be updated on receipt of the draft and final Settlements and final allocations of specific grants.

MTFO Savings Requirements

4.22 Our approach to budget setting was established in 2020 with overall financial savings expected to be delivered via Proud activity. For 2022/23 Proud work streams will continue to provide the 'enablers' to allow directorates to deliver their service transformation plans. As set out in **table 2** above, the changes in assumptions reflected in the updated MTFO changed the quantum of the funding gap, with the savings required to be delivered over the period 2022/23 to 2025/26 set out below, a total of c£70.43m.

2022/23 - £20.14m

2023/24 - £16.33m

2024/25 - £18.67m

2025/26 - £15.23m

Walsall Proud Benefit Opportunities

4.23 Walsall Proud (WP) is the council's transformation programme to transform the way the council works; Achieve Improved Outcomes and Customer Experience; Improve Staff Satisfaction and Engagement; and Improve Service Efficiency and Performance. Proud activity covers all council services and consists of a number of key work streams, as follows:

- Commissioning, Procurement & Contract Management (Third Party Spend)
- Communication, Change and Culture & Behaviours
- Customer Access and Management
- Designing the Ways of Working – Hubs and Enabling Support Services
- Enabling Technology

- Income Generation & Cost Recovery
- Connected Working
- Corporate Landlord

The Proud business case set out up to £70.26m of ongoing saving opportunities, of which savings to date are as follows:

- Delivered 2020/21 - £1.19m;
- Approved for delivery during 2021/22 - £28.89m (£26.91m after adjusting for one-offs of £1.98m);
- Identified for delivery in 2022/23 - £20.14m in this report;
- £2.66m of benefits identified but not approved;
- Identified for delivery in 2023/24 - £6.09m;
- Totalling £56.99m, leaving a further £13.27m to be delivered, and therefore to contribute to the remaining gap of £10.25m in 2023/24 and contribute towards some of the gap in 2024/25.

The impact of Covid-19

- 4.24 Since March 2020, the council along with the communities it serves, has responded to the impact of the Covid-19 crisis. As a provider of public services and in its civic leadership role, the council quickly responded by re-prioritising services, responding to Government announcements, working in partnership and immediately redirecting resources to achieve the necessary crisis response. As part of this response, the council conducted a review of Walsall Proud activity in order to determine those activities which could continue and those which should be delayed whilst the council responded to the Covid-19 situation, using the following criteria:
- *Care* - Employees and residents are already experiencing disruption to their lives and significant amounts of uncertainty. Therefore, we will not conduct activities which may add to this.
 - *Manage disruption* - We will identify those activities which can continue over the coming months so that we can continue to progress towards delivering the Programme benefits where possible.
 - *Working remotely* - Our teams will work remotely and use the technology available to collaborate on service delivery, projects and deliver outputs. Exceptions to this will be managed and the impact on progress monitored.
- 4.25 Over the latter part of 2020/21, activity within the Programme resumed. This included preparing for employee consultations; completing outstanding design work within the Enabling Support Services; continuing with procurement activities within the Enabling Technology work stream; commencing work on the council's Strategic Asset Plan and providing Connected Working tools and techniques to support teams. In parallel and complementary to the Resilient Communities service transformation plan, public consultation was undertaken on the Resilient Communities proposals, in conjunction with the residents' survey, and engagement activities with partners.

Service Transformation Planning process

- 4.26 As part of the Reset process, the council identified an opportunity to bring together Proud activity and the work taking place in each directorate in response to Covid-19. During 2020/21, Proud activity supported directors to develop three-year service

transformation plans (STPs) to deliver both financial and non-financial benefits. Each Director was asked to prepare an STP identifying:

- The strategic direction of travel for their service(s);
- How the service(s) would deliver against the 3 KPIs of the Proud Programme;
- How each service would use the new ways of working delivered by the Programme to deliver the 3 KPIs;
- Savings to be delivered.

4.27 This process has enabled directors to consider the practical application of the original Proud business case within their individual area and as a result generate the budget options set out within this report for 2022/23.

4.28 To compliment and align with the new outcomes based budget process outlined in section 4.15 to 4.17 within this report, STP's will be reviewed and revised to ensure that:

- The council's Corporate Plan objectives and proposed Direction of Travel for each area has been considered;
- All future options for the application of new ways of working have been considered within each service transformation plan;
- Further options for service transformation in future are clearly identified including opportunities to bring that activity forward;
- Identification of benefit opportunities to meet the budget gap for 2023/24 onwards.

4.29 This work is required as the council continues to seek to address the budget position for 2023/24 and the years beyond. It also ensures that the Walsall Proud business case which sets out the benefits (including financial) to be delivered through investment in the programme can still be delivered. Proud is now entering a critical period as it has moved broadly from design and into implementation from late 2020/21. For a period, the council will be required to manage the implementation of STP's whilst continuing to deliver new ways of working through the work streams, for example, implementation of the Customer Access and Management capability is underway at the same time as director's will be seeking to use that capability as part of delivering their plans. This will put additional strain on resourcing throughout the organisation and will require a joined up approach to change management.

Summary of Savings identified

4.30 The Proud service transformation plans have identified £20.14m of financial benefit for 2022/23 and £6.08m for 2023/24. Benefits / savings are classified into two categories:

1. Policy Proposals - which require an Executive decision to proceed, and which will be referred for public consultation and equality impact assessment prior to any decision being made to include these in Cabinet's final budget proposals. Policy proposals are shown on **Appendix 2A**, and these total £282k over the two years. The majority are full year impact of savings from 2021/22 with the following to be noted:
 - £79k – P2/P3 appointeeships was approved for consultation by Cabinet on 16 June 2021 and the outcome will to be reported back to Cabinet;

- £30k – P9 charge developers for travel plans – to be deferred to 2023/24 and replaced with an operational saving of one off use of section 38 funding in 2022/23. Any consultation required will be undertaken during 2022/23;
2. Operational Proposals – savings which officers have delegations to implement; examples include restructures, back office savings, operational efficiencies. These are shown at **Appendix 2B**, and total £25.95m over the two years. This includes saving OP3 Early Help restructure, £888k of which has been reprofiled to 2023/24, funded from troubled families grant in 2022/23. This is a change to the saving initially included in the draft 2022/23 budget proposals presented to Council on 25 February 2021. This has been reprofiled to allow sufficient time to:
- Understand and ‘design in’ the policy implications of the MacAlister Care review to future proof Walsall’s Early Help arrangements;
 - Engage in the Government’s relaunched Supporting Families funding formula and delivery structure discussions so that the future redesign of Early Help in Walsall is reflective of the renewed approach and programme funding from 22/23 onwards is maximised;
 - Optimise Customer Access Management functionality to effectively divert demand;
 - Accelerate plans for improved partnership working, developing the necessary capacity within partners, communities and families themselves that will allow the Authority to step away from direct delivery of Early Help, for all but the most vulnerable families.

Some proposals require investment to support delivery, most of which has been provided for as part of the approved 2021/22 budget. Such investment will only be allocated if the relevant saving proposal is included within Cabinet’s final budget report in February, once consultation and equality impact assessment on proposals has concluded.

- 4.31 The savings at **Appendix 2** will ensure a balanced budget for 2022/23. A gap of £10.25m remains after the delivery of the £6.08m saving identified for 2023/24, with a further £18.41m saving requirement for 2024/25 and £15.23m for 2025/26. Directors continue to work on identifying additional options for Members consideration through the STP process, and a further report will be presented to Cabinet outlining further options to balance the budget for 2023/24 onwards. A work stream review of the STP’s is taking place to ensure that they maximise opportunities from the Proud ways of working and capabilities, and therefore capture the full benefits; to ensure they capture innovative thinking; and to challenge any opportunities to accelerate identified savings.

Draft Capital Programme 2022/23 to 2025/26

- 4.32 The key objective of the Capital Strategy is to deliver a capital programme that:

- Ensures the council’s capital assets are used to support the delivery of priorities within the Corporate Plan and the council’s vision;
- Links with the council’s Strategic Asset Plan;
- Is affordable, financially prudent and sustainable;

- Ensures the most cost effective use is made of existing assets and new capital investment, and;
- Supports other Walsall service specific plans and strategies.

4.33 The approach to capital planning includes:

- The need to match priority capital investment decisions against the council's limited internal resources;
- To maximise external funding sources;
- To optimise borrowing where there is an agreed deliverable pay back mechanism;
- To ensure the council's health and safety, etc. commitments are adequately covered;
- To minimise the call on revenue resources.

4.34 In practical terms the basic approach is to use the Strategic Asset Plan to:

- Maintain required assets to meet the needs of the services and people that use them;
- Evaluate options for disposal of surplus assets;
- Develop sustainable, cost effective new assets in response to the council's priorities.

4.35 However there will be an increasing emphasis on:

- Investing in activity that unlocks external investment in the borough;
- Investing in service redesign to drive out long term revenue savings;
- Investing in the creation of an efficient and effective operational estate;
- Investing in assets that support the strengthening of the borough's economy;

4.36 Capital programme resources are limited. The financing for capital investment is heavily reliant on grants and funding received from the Government. The success that Walsall has had in securing a wide range of external funding may be harder to achieve as many of the sources of funding may stop or reduce.

4.37 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. There is further uncertainty in relation to asset valuations due to Covid-19 which may impact our capital receipts projections and this is being assessed and will be taken into account in setting the final capital programme in February 2022. Earmarking of capital receipts beyond what we are statutorily obliged to do is not recommended without overall strategic consideration of the entire capital programme. Use of borrowing incurs ongoing revenue debt charges and impacts on council tax payers. The Chancellor is currently reviewing current borrowing regulations which may involve a cap on borrowing levels, restricting authorities ability to fund capital expenditure.

4.38 Capital allocations and grants from Government and other sources have not, in some cases, been provided, therefore best estimates have been used, based on published

information to date. Any further reduction in funding will require amendments to the draft programme.

- 4.39 Despite the above difficulties, significant investment is planned and funded over the four years to 2025/26. The council is able to fund existing commitments and has, through prioritisation of bids, resources and sound treasury management, been able to support new investment into key services, and areas of capital investment need, linked to Walsall Proud activity.
- 4.40 Cabinet determine the projects to be included within the capital programme in the light of the relative priorities and the overall impact on the revenue budget. Schemes that require use of the council's own capital resources (such as through borrowing or capital receipts), are scored and prioritised in accordance with a matrix, in order to assist the decision making process:
- For Delivery of Capital projects - alignment to local plans and strategies; deliverability; benefit to cost ratio; amount of matchfunding to be levered in; commercialisation - Income generation / land sales etc. to be considered to enable funds to be recycled so that more of the pipeline can be funded in the longer term; generation of savings in the form of council tax, business rate income, revenue income or operational cost savings generated as a result of this investment to support the MTFO.
 - For Development Capital projects - alignment to local plans and strategies; long term deliverability; benefit to cost ratio; and the potential for the wider scheme to secure external funding / match funding / recycling of funds i.e. commercialisation, overage, land sale etc so that more of the pipeline can be funded in the longer term.
- 4.41 The list of schemes included in the draft capital programme for 2022/23 to 2025/26 are shown at **Appendix 3** (council funded) and **Appendix 4** (externally funded). **Table 4** below shows the draft capital programme against available resources.

Table 4 : Draft Capital Programme 2022/23 to 2025/26				
Anticipated Capital Resources	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Capital receipts projection	1.50	1.50	1.50	1.50
General borrowing	9.23	8.33	4.67	4.67
Revenue contribution to capital - burial levy	0.02	0.02	0.02	0.02
Previous years carry forward – rail stations	0.00	1.50	0.00	0.00
Borrowing - Regional Materials Recycling	2.72	0.00	0.00	0.00
Borrowing - Enterprise Zones*	13.94	4.07	0.00	0.00
Borrowing - Waste Strategy	3.00	0.00	0.00	0.00
Borrowing - Pipeline investments	8.00	4.00	0.00	0.00
Borrowing - High Streets Fund	0.00	7.53	15.88	0.00
Externally Funded Schemes	23.86	11.33	11.33	11.33
Total capital resources	62.27	38.28	33.40	17.52
Draft Capital Programme				
Rolling Programme Schemes	4.30	4.30	4.30	4.30

Anticipated Capital Resources	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Prior Year Approvals	33.83	22.65	16.72	1.45
New Bids	0.28	0.00	0.00	0.00
Total Council Funded Schemes (Appendix 3)	38.41	26.95	21.02	5.75
Externally Funded Schemes (Appendix 4)	23.86	11.33	11.33	11.33
Total draft capital programme	62.27	38.28	32.35	17.08
Funding shortfall (surplus)	0	0	(1.05)	(0.44)

*Rephased by year - requirement to cash flow prior to generation of business rates

- 4.42 Council funded schemes identified in **Appendix 3** include a refresh of the draft programme reported to Council in February 2021, with a number of projects added during 2021/22 following Cabinet approval, along with one additional scheme of £280k as match funding for external social housing bids submitted. For 2023/24 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. The Strategic Asset Plan is due to be agreed by Cabinet and the final capital programme will reflect the financial implications of this. The impact of inflation, material shortages, etc are also currently under review and will need to be accommodated from identified resources.
- 4.43 Capital receipts projections are based on professional estimates of property colleagues. Any additional receipts received in year (excluding those earmarked for specific schemes) will be set aside to fund any urgent requests for funding, including any match funding requirements received in year, subject to approval.
- 4.44 Borrowing is funded from the council's own resources – generated through savings, and/or paid for via council tax. Councils are allowed to borrow in accordance with the Treasury Management Code of Practice.
- 4.45 As well as those in the draft programme, there are a number of large capital schemes that are in development or planning stages. It is expected that as individual business cases are developed and considered by Cabinet and/or Council, they are then included in the latest update of the capital programme if they are deemed to be a high priority and affordable. Funding for these will need to be identified and may be through a combination of borrowing and/or other contributions. Where practical, a payback agreement will be implemented, whereby projects should, wherever possible be self-funded over the life of the project and beyond. A £28m provision was made for council pipeline investment opportunities in 2021/22, including emerging regeneration schemes, where funding or match funding is required, and major capital projects. This provision is held centrally and any unallocated resources will be carried forward into 2022/23. To access these funds, an outline business case is required to be endorsed by the council's Strategic Investment Board, followed by a full business case for Cabinet approval.
- 4.46 For externally funded schemes, where a bidding process is required, it is assumed the full cost of the project is met from external grant and/or third party contributions.

If it becomes clear during the process that this is not the case, the project cannot proceed if the external funds cannot be sourced.

Towns Fund

- 4.47 Earlier this year, Walsall and Bloxwich were successful in being awarded £21.3m for each of the £25m bids submitted for each Town. Working with the Town Deal Board and Partners the Walsall projects have been agreed and submitted at £22m with an underwriting requirement from the Council of £528k as the Council's share of the shortfall compared to the awarded allocation. For Bloxwich, the initial projects submitted at £25m have been agreed to continue without change leaving a £3.7m shortfall compared to the awarded allocation. This has been allocated to the 2 lowest projects submitted being the Incubation Space and Digital Access Centre and Green Bloxwich schemes both being Council schemes which initially will require underwriting.

This total £4.2m underwriting allows the projects to be taken forward at this stage and for the full business cases for all of the projects to be completed during which other external funding and cost reductions/value re-engineering will be sought before final submission, full commitment of the additional match funding/underwriting required and start of delivery. The profiling of both external funding and any match funding requirement from the council will be included in the final capital programme, following full government approval of the schemes.

Draft Leasing Programme

- 4.48 The 2022/23 leasing programme totals £0.43m, summarised in **Table 5** below. Leasing minimises the call on capital resources by spreading the acquisition cost over a number of years. Revenue funds are required to finance operating leases, and are included in the revenue budget. There is expected to be a carry forward from 2021/22 which is dependent on timings on acquisition of vehicles.

Table 5: Leasing Programme	Capital £m	Revenue £m
Equipment	0.00	0.06
Light Commercial vehicles	0.35	0.41
Refuse Vehicles	0.00	0.54
Tractors & Agricultural Implements	0.08	0.21
Welfare vehicles	0.00	0.01
	0.43	1.22

Council Corporate Plan priorities

- 4.49 The budget is the financial plan supporting delivery of the organisations key objectives and priorities. The budget process is a four yearly cycle, updated annually, aiming to support delivery of council priorities and outcomes within available resources. It aims to achieve this through the delivery of efficiencies, income reviews and service reviews and redesign to redirect existing and reducing resources to areas of high council priority in order to deliver the council outcomes. This budget has been

prepared using the council's high level purpose and priorities as outlined in the council's approved Corporate Plan.

Risk management

- 4.50 The budget process is governed by the overarching Medium Term Financial Framework and Corporate Plan. Risk management is an integral part of this activity and is embedded in budget preparation, monitoring and forecasting to enable potential budget variances and risks to be identified early and addressed.
- 4.51 There is still uncertainty around Government funding for 2022/23 and beyond due to the lack of Government allocations beyond this year and the uncertainty around changes arising from the pending Review of Relative Needs and Resources (formerly the Fair Funding Review) and 75% Business Rates Retention. Plans may be announced by the Government as part of the Spending Review on 27 October 2021. The MTFO continues to be regularly reviewed to ensure all significant changes are reflected.
- 4.52 There is a risk that funding will reduce more than anticipated or that further pressures will emerge, whether Covid-19 related or otherwise, which will require the council to address prior to setting the budget in February 2022. As the need for savings increases, the council's ability to protect services from being reduced or actually ceasing diminishes.
- 4.53 The budget is risk assessed and this is used to formulate the recommended level of contingencies and reserves. The outcome of this will be reported to Cabinet and Council in the final budget report.

Financial implications

- 4.54 The council must set a balanced budget to meet its legal requirements as set out under legal implications.

Legal implications

- 4.55 Under the Local Government Act, an authority must set a council tax and balanced budget, giving 14 days' notice of the council tax level prior to the date of billing. The Council must set a budget before 11 March of each year. This will include the S151 Officer's S25 Statement on the Robustness of the Budget and the Adequacy of the Reserves for which the budget provides, together with an assessment of risk.
- 4.56 The collection fund and council tax base are governed by Statutory Instrument 2012 No.2914 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The council is legally obliged to set the council tax base and notify the precepting authorities by 31 January each year.

Procurement Implications / Social Value

- 4.57 There are no direct implications arising from this report. Any procurement implications as a result of the development of Proud benefits will be set out within the relevant redesign proposals as they are developed.

Property implications

- 4.58 There are no direct implications arising from this report. The Strategic Asset Plan is currently in development and once approved, any financial implications will need to be reflected in the final capital programme. Any direct property implications as a result of service redesign will be set out within the relevant redesign proposals as they are developed.

Health and Wellbeing implications

- 4.59 There are no direct implications arising from this report. Any direct health and wellbeing implications as a result of service redesign will be set out within the service redesign proposal as they are developed.

Staffing implications

- 4.60 There will be some staffing implications arising from this report. The contribution of the trade unions will be important in the council achieving its key aims and objectives particularly in these challenging times. Officers and members will consult widely with them on the employee implications of service redesign and delivery.
- 4.61 Staff affected by proposals arising from the Proud Programme will be supported as appropriate throughout the process and the number of redundancies will be minimised wherever possible.

Reducing inequalities

- 4.62 Reducing inequalities is the council's vision as set out in the Corporate Plan. Assessing the impact of proposed organisational changes and changes to policies, procedures and services is a positive opportunity for the council to ensure good decisions are made, based on robust evidence. It is clear that the decisions taken by individual services do not operate in isolation. Thus, when making policy, it is important not just to look at the potential impact of individual measures, but also to ensure that their interaction is properly understood and that the cumulative impact is taken into account. Understanding the cumulative impact on protected groups should be a pre-requisite of any policy making process.
- 4.63 Under the Public Sector Equality Duty an analysis of impact on equality must contain sufficient and suitable information to enable the council to;
- Demonstrate it has given 'due regard' to the aims of the equality duty in decision making;
 - Consider ways of mitigating or avoiding any adverse impacts.
- 4.64 The council uses an Equality Impact Assessment (EqIA) to check the lawfulness of council decisions in relation to the impact on people with certain characteristics protected by the Equality Act 2010. An EqIA must contain relevant data and sufficient analysis to enable Members to understand the equality implications of a proposal and any alternative options before any decisions are arrived at.
- 4.65 Completing an EqIA provides a positive opportunity to ensure that the council makes better decisions, based on robust evidence and will identify any anticipated impact

on residents, service users and staff that fall within the protected characteristics as defined in the Equality Act. Equality impact assessments are undertaken on service and organisational change proposals as they develop and any implications reported as they arise, to allow Cabinet to consider and make any revisions required.

- 4.66 Initial screening EqlAs is carried out on options to indicate whether full EqlAs will be required. Full EqlAs identify the outcomes, and their potential impacts, and document the reasons for this decision. There are four possible outcomes:
- A. No major change required:
When no adverse impact is identified and all opportunities to promote equality have been taken
 - B. Adjustments are needed to adverse impact to better promote equality
 - C. Continue despite possible adverse impact:
Compelling reasons will be needed and mitigating actions may be required to minimise adverse impact
 - D. Stop and rethink the proposal:
When an EqlA shows actual or potential unlawful discrimination and needs to be reviewed immediately
- 4.67 If adjustments are needed or a potential adverse impact is identified, an action plan is developed to show how this will be mitigated or in exceptional circumstances, justified. EqlAs will be considered by Cabinet members, prior to any decision being made as to the final proposals to be included in the final Budget report to Council.

Climate Change

- 4.68 This report is prepared with consideration of the council's Climate Change Action Plan, and budget proposals will be assessed against the six key areas of the plan: strategy, energy, waste, transport, nature, resilience and adaptation as appropriate.

Consultation

- 4.69 Section 138 of the Local Government and Public involvement in Health Act 2007 places a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. The 2010 Equality Act, whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function.
- 4.70 Consultation is an integral part of the budget process and arrangements are in place to consult with a range of communities and stakeholders as appropriate (the public, councillors, business rate payers, voluntary and community organisations, etc.). Consultation will be publicised and communicated widely via a range of methods and channels.
- 4.71 Consultation will be undertaken on policy related draft budget options as they develop from Proud activity and findings presented to Cabinet. Due to the coronavirus pandemic consultation will be conducted online. However in order to ensure that everyone who wants to have their say is able to, in line with our Public Sector Equality Duty (PSED), alternative formats and support to respond will be

provided to those who request it. Findings along with equality impact assessments will be reported to Cabinet for their consideration and to inform Cabinet's final budget recommendations to Council in February 2022.

- 4.72 This report will be forwarded to Overview Scrutiny Committees for consultation purposes, to allow each Committee to comment on the budget proposals within their remit.

5. Decide

- 5.1 As set out in the legal section, councils are required to set a legal budget. This report is the first stage in that process and Cabinet are asked to approve the recommendations as set out, to allow consultation to commence.

6. Respond

- 6.1 Following Cabinet's consideration, draft proposals will be referred for consultation as required, feedback provided to Cabinet and the council will publish the feedback and the council's response to it.

7. Review

- 7.1 Further updates will be presented to Cabinet as required, including any feedback from consultation, in advance of the final budget report to Cabinet on 9 February 2022.

Summary of appendices:

- 1 Summary of New Growth and Investment 2022/23 to 2025/26 aligned to Proud Outcomes;
- 2 Benefits Realisation (Savings) for Proud activity by Outcome 2022/23 to 2025/26;
- 3 Draft Capital Programme 2022/23 to 2025/26 – Council Funded Schemes;
- 4 Draft Capital Programme 2022/23 to 2025/26 – External Funded Schemes;

Background papers:

- Various financial and working papers.
- Corporate Budget Plan 2021/22 to 2023/24, incorporating the Capital Strategy; and the Treasury Management and Investment Strategy 2021/22 Onwards – Council 25 February 2021
- Corporate Financial Performance 2021/22, Covid-19 update, approach to Budget Setting for 2022/23, and changes to the council's Tax Strategy - Cabinet 21 July 2021

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Deborah Hindson
Interim Executive Director of Resources
and Transformation (s151 Officer)

14 October 2021

Councillor M. Bird
Leader of the Council

14 October 2021

Appendix 1 - Summary of New Growth and Investment 2022/23 to 2025/26 aligned to Proud Outcomes

Directorate	Ref No	Details of Growth by outcome	2022/23 £	2023/24 £	2024/25 £	2025/26 £
People live a good quality of life and feel they belong						
Adult Social Care and Public Health	1	Additional Social Care demand / cost pressures	3,153,075	3,652,586	4,000,000	4,000,000
	2	Better Care Funding iBCF2 fall out of grant	2,023,652	0		0
	New	Additional Social Care demand / cost pressures	1,629,000	1,056,000	1,056,000	1,056,000
	New	Additional Social Care demand / cost pressures (Covid-19)	1,486,892	0	0	0
	New	Direct Payments refund reducing	228,000	153,000	0	0
	New	Single handed review	274,000	0	(137,000)	(137,000)
	New	Payment on plan domiciliary care capacity issues	1,000,000	0	0	0
Children's Services	38	Crisis support	0	500,000	0	0
Total People live a good quality of life and feel they belong			9,794,619	5,361,586	4,919,000	4,919,000
Creating an environment where business invests and everyone who wants a job can access one						
Economy, Environment & Communities	New	Economic growth programme	0	1,856,000	42,150	0
Creating an environment where business invests and everyone who wants a job can access one			0	1,856,000	42,150	0
People know what makes them healthy and are encouraged to get support when they need it						
Economy, Environment & Communities	New	Active living centres income shortfall (Covid-19)	412,703	(412,703)	0	0
Total People know what makes them healthy and are encouraged to get support when they need it			412,703	(412,703)	0	0
Children grow up in connected communities and feel safe everywhere						
Children's Services	10	Additional Looked after Children demand / cost pressures	3,454,000	2,559,000	2,559,000	2,559,000
	New	Additional Looked after Children demand / cost pressures	344,203	142,172	267,179	223,050
	New	Additional Looked after Children demand / cost pressures (Covid-19)	792,718	(79,682)	(365,843)	(198,299)
	11	Troubled Families	0	1,000,000	0	0
	15	Foster care inflation	66,441	66,602	66,800	66,800
	New	Early Help restructure	888,000	(888,000)	0	0
	New	Increases in EHP assessment team	303,000	0	0	0
	41	Family drugs and alcohol court – linked to saving OP10	94,910	0		0
	43	Mocking Bird – Increase in number of social workers	20,790	0		0
	45	Grandparents plus - build in for future years – linked to saving OP13	50,000	0		0
Total Children grow up in connected communities and feel safe everywhere			6,014,062	2,800,092	2,527,136	2,650,551

Directorate	Ref No	Details of Growth by outcome	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Education, training and skills enable people to fulfil their personal development						
Children's Services	17	Home to school transport	1,338,094	1,045,861	941,977	941,977
	New	Home to school transport	250,000	250,000	250,000	250,000
Total Education, training & skills enable people to fulfil their personal development			1,588,094	1,295,861	1,191,977	1,191,977
People are proud of their vibrant town, districts and communities						
Economy, Environment & Communities	20	Economy and Environment contractual inflation	239,313	240,000	240,000	0
	New	Economy and Environment contractual inflation	0	0	240,000	240,000
	New	Increase cost of waste tonnage (Covid-19)	535,000	(250,000)	(285,000)	0
	New	Penalties for co-mingled waste (Covid-19)	70,000	(35,000)	(35,000)	0
	New	Car parks income shortfall (Covid-19)	324,000	(162,000)	0	0
	New	Loss of penalty income (Covid-19)	124,000	(124,000)	0	0
	New	Coroners	50,000	0	0	0
	New	APCOA contract	100,000	0	0	0
	New	Capital income shortfall	25,000	0	0	0
Total People are proud of their vibrant town, districts and communities			1,467,313	(331,000)	160,000	240,000
Internal Services deliver quality and adapt to meet the needs of customer facing services						
Resources & Transformation	51	Integrated Facilities Management – centralised maintenance	250,000	0	0	0
	52	Webcasting and hybrid council meetings	15,000	0	0	0
	54	Additional staffing for IT operating model	94,000	0	0	0
	56	Finance - review and reduction in transactional activity within finance following implementation of One Source – linked to saving OP44	207,045	0	0	0
	58	Cloud / Microsoft licences	300,000	300,000	0	0
	New	Shortfall in box office income	6,080	(6,080)	0	0
Central / Capital Financing	27	Capital financing - review of debt portfolio	437,000	600,000	600,000	600,000
	28	Revenue implications of capital programme	500,000	500,000	500,000	500,000
	New	MRP review	0	0	462,000	0
	New	Investment property income shortfall	250,000	0	0	0
	New	Continuation of income losses arising from impact of Covid-19	1,000,000	(1,000,000)	0	0
	New	Connected working	0	246,000	0	0
	New	Hub investment linked to work stream activity	300,000	0	0	0
	New	Pay award	1,000,000	0	0	0
Total Internal Services deliver quality and adapt to meet the needs of customer facing services			4,359,125	639,920	1,562,000	1,100,000
Total Growth and investment			23,635,916	11,209,756	10,402,263	10,101,528

Additionally, there is £4.52m of pay (increments) and pension related investment to be allocated to services in 2022/23, £6.82m in 2023/24, £5.32m in 2024/25 and 2025/26.

Investment Summary by Directorate

Directorate	2022/23	2023/24	2024/25	2025/26
	£	£	£	£
Adult Social Care and Public Health	9,794,619	4,861,586	4,919,000	4,919,000
Children's Services and Customer Engagement:	7,602,156	4,095,953	3,719,113	3,842,528
- Children's Services				
- Customer Engagement	0	500,000	0	0
Economy, Environment and Communities	1,880,016	1,112,297	202,150	240,000
Resources and Transformation	872,125	293,920	0	0
Central / Capital Financing	3,487,000	346,000	1,562,000	1,100,000
Total	23,635,916	11,209,756	10,402,263	10,101,528

Appendix 2 – Benefits Realisation (Savings) for Proud activity by Outcome 2022/23 to 2025/26

A: Summary of Policy Proposals by Outcome 2022/23 – 2023/24

Directorate	Ref No	Detail of Policy Proposals by Outcome	2022/23 £	2023/24 £	Total £
Children grow up in connected communities and feel safe everywhere					
Children's Services	P1	Change, Grow, Live Contract - bring service back in house (Full year effect of 2021/22 saving)	(122,714)	0	(122,714)
Total Children grow up in connected communities and feel safe everywhere			(122,714)	0	(122,714)
Internal Services deliver quality and adapt to meet the needs of customer facing services					
Resources & Transformation	P2	Finance - Adult Social Care Client Care Team - introduce charge for appointeeship management / support – <i>approved for consultation by Cabinet on 16 June 2021 with outcome to be reported back to Cabinet to support the 2022/23 budget process</i>	(72,800)	0	(72,800)
	P3	Finance - Adult Social Care Client Care Team - introduce charging for administration of deaths for appointees – <i>approved for consultation by Cabinet on 16 June 2021 with outcome to be reported back to Cabinet to support the 2022/23 budget process</i>	(6,000)	0	(6,000)
	P4	Organisational redesign to deliver Intelligent Client Model across Asset Management, Capital Projects and Facilities Management (Full year effect of 2021/22 saving)	(42,726)	0	(42,726)
	P5	Redesign of Occupational Health contract (Full year effect of 2021/22 saving)	(7,500)	0	(7,500)
Total Internal Services deliver quality and adapt to meet the needs of customer facing services			(129,026)	0	(129,026)
People are proud of their vibrant town, districts and communities					
Economy, Environment & Communities	P9	Charge developers for travel plans – alternate savings to be identified	0	(30,000)	(30,000)
Total People are proud of their vibrant town, districts and communities			0	(30,000)	(30,000)
Total Policy Proposals			(251,740)	(30,000)	(281,740)

B: Summary of Operational Proposals by Outcome 2022/23 – 2023/24

Directorate	Ref No	Detail of Operational Proposals by Outcome	2022/23 £	2023/24 £	Total £
Children grow up in connected communities and feel safe everywhere					
Children's Services	OP3	Development of locality partnership offer in Early Help and restructure of 'change grow live' following contract bought in house (implementation of restructure)	(99,760)	(888,396)	(988,156)
	OP6	Review of current establishment and reduction in the use of agency staff, following recruitment of permanent staff	(747,820)	0	(747,820)
	OP7	Mother & Baby - Daisy Project	(443,988)	0	(443,988)
	OP8	Strengthening families, protecting children	(338,711)	0	(338,711)
	OP9	Adolescent service - Turning Point - reduce number of adolescents coming into care	(759,933)	0	(759,933)
	OP10	Family drugs and alcohol court	(136,916)	0	(136,916)
	OP11	Foster carer support - placement disruption	(1,554,022)	0	(1,554,022)
	OP12	Placement sufficiency - recruitment & retention	(107,712)	0	(107,712)
	OP13	Grandparents plus - build in for future years	(67,236)	0	(67,236)
	OP107	Independent Living	(250,000)	0	(250,000)
Total Children grow up in connected communities and feel safe everywhere			(4,506,098)	(888,396)	(5,394,494)
Children thrive emotionally, physically, mentally and feel they are achieving their potential					
Children's Services	OP5	Home to school transport - route optimisation	(216,204)	0	(216,204)
	OP17	Reduction in use of agency and temporary staff	(120,000)	0	(120,000)
Total Children thrive emotionally, physically, mentally and feel they are achieving their potential			(336,204)	0	(336,204)
Creating an environment where business invests and everyone who wants a job can access one					
Economy, Environment & Communities	OP21	Capitalisation of posts - maximise external funding	(25,000)	0	(25,000)
Creating an environment where business invests and everyone who wants a job can access one			(25,000)	0	(25,000)
Education, training and skills enable people to fulfil their personal development					
Children's Services	OP25	Increase traded services to schools	(55,000)	0	(55,000)
	OP26	High needs funding review and provide specialist support to children with additional needs via use of DSG grant	(250,000)	0	(250,000)
	OP28	Review and streamline the provision of specialist inclusion services and support	(41,283)	0	(41,283)
Total Education, training and skills enable people to fulfil their personal development			(346,283)	0	(346,283)
Internal Services deliver quality and adapt to meet the needs of customer facing services					
Adult Social Care & Public Health	OP32	Paperless council meetings - savings to be made from eliminating paper agendas completely	(9,276)	0	(9,276)
Children's Services	OP29	Children's - To develop Power BI reports to create efficiencies	(119,961)	0	(119,961)
Resources & Transformation	OP34	The modernisation of an electronic enrolment and canvassing system	(5,000)	0	(5,000)
	OP35	Efficiencies savings with legal services	(33,334)	0	(33,334)

Directorate	Ref No	Detail of Operational Proposals by Outcome	2022/23 £	2023/24 £	Total £
Resources & Transformation	OP38	Efficiencies in relation to the purchase of law library books	(10,000)	0	(10,000)
	OP39	Restructure of Finance Function to strengthen strategic financial planning, financial system teams and phased review of accountancy team management posts and review of external funding opportunities; and general efficiencies	(20,000)	0	(20,000)
	OP40	Review of treasury / debt management costs recharge against investment returns delivered	(1,203)	0	(1,203)
	OP41	Accounts Payable - Use of automated invoice validation process within One Source	(48,311)	0	(48,311)
	OP42	Finance - Adult Social Care Charging & Payments and Client Care Teams - Impact of connected working on financial transactions	(21,667)	0	(21,667)
	OP43	Insurance Team - Review of insurance team to deliver focus on reducing claim costs and reduction in insurance fund charges	(1,287)	0	(1,287)
	OP44	Finance - review and reduction in transactional activity following implementation of One Source	(123,423)	0	(123,423)
	OP45	Finance - Schools Traded Service team cost recovery review	(19,449)	0	(19,449)
	OP46	Finance - Implementation of Walsall Supplier Early Payment Scheme	(92,000)	0	(92,000)
	OP49	Centralise all IT related expenditure across the council in order to identify and generate efficiencies and consolidate shadow IT capability and general programme efficiencies	(271,000)	0	(271,000)
	OP50	Sell some IT services to other councils and organisations	(21,000)	0	(21,000)
	OP52	Facilities management - school catering and caretaking traded services review	(15,200)	0	(15,200)
	OP53	Facilities management - review of prices and service standards across all internal and traded units and review ways of working for relief caretakers	(58,344)	0	(58,344)
	OP54	Facilities management - review structure & ways of working in the post room and centralisation and rationalisation of postage costs	(13,000)	0	(13,000)
	OP57	CPM - review structure and ways of working	(25,791)	0	(25,791)
	OP59	HR restructure	(50,000)	0	(50,000)
	OP60	Consider ceasing of physio contract	(12,000)	0	(12,000)
	OP108	Review of mobile phones contract	(31,000)	0	(31,000)
	OP109	Cross council efficiencies relating to administration and business support	(2,100,000)	0	(2,100,000)
	Total Internal Services deliver quality and adapt to meet the needs of customer facing services			(3,102,246)	0
People are proud of their vibrant town, districts and communities					
Economy, Environment & Communities	OP62	Abandonment of current 'silo' roles within waste	(363,682)	0	(363,682)
	OP65	Management restructure	(320,000)	0	(320,000)
	OP66	Covid-19 reset of the street cleansing service	(49,320)	0	(49,320)
	OP74	Heritage and culture / Arts and events - increase fees and charges	(9,351)	0	(9,351)
	New	One off use of Section 38 income	(30,000)	30,000	0

Directorate	Ref No	Detail of Operational Proposals by Outcome	2022/23 £	2023/24 £	Total £
Economy, Environment & Communities	New	Street lighting savings	0	(728,000)	(728,000)
Total People are proud of their vibrant town, districts and communities			(772,353)	(698,000)	(1,470,353)
People know what makes them healthy and they are encouraged to get support when they need it					
Adult Social Care & PH	OP112	Public Health	(800,000)	0	(800,000)
Economy, Environment & Communities	OP78	Cost effective procurement of new fitness equipment	(34,646)	0	(34,646)
	OP79	Bloxwich Active Living Centre landing development	(80,820)	0	(80,820)
Total People know what makes them healthy and they are encouraged to get support when they need it			(915,466)	0	(915,466)
People live a good quality of life and feel they belong					
Adult Social Care and Public Health	OP83	New Ways of Working/Staff Reconfiguration. Resilient Communities	(112,988)	0	(112,988)
	OP84	New Ways of Working/Staff Reconfiguration. Customer Access Management	(37,663)	0	(37,663)
	OP89	New Ways of Working/Staff Reconfiguration. Customer Access Management/ Resilient Communities	(1,178,407)	0	(1,178,407)
	OP90	Review of Older People existing long term and new residential nursing & domiciliary placement costs support packages for learning disabilities including supported living and mental health	(4,400,928)	0	(4,400,928)
	OP91	Reduction of day care funded by direct payments	(356,471)	0	(356,471)
	OP92	All Age Disability	(156,000)	0	(156,000)
	OP97	Review of resources including Goscote and shared lives	(500,000)	0	(500,000)
Children's Services	OP98A	Restructure within Money Home Job	(166,745)	0	(166,745)
	OP100	Bespoke webpage and web data entry form	(18,000)	0	(18,000)
	OP113	Council wide efficiencies relating to Customer Access Management	(2,899,000)	(4,470,000)	(7,369,000)
Economy, Environment & Communities	OP103	Review of existing fees and charges within resilient communities	(44,315)	0	(44,315)
	OP104	Provide pre license surgeries to individuals and businesses to support license applications	(7,350)	0	(7,350)
	OP106	Charging for change of name deeds (registrars)	(10,890)	0	(10,890)
Total People live a good quality of life and feel they belong			(9,888,757)	(4,470,000)	(14,358,757)
Total Operational Proposals			(19,892,407)	(6,056,396)	(25,948,803)

Total Savings		2022/23 £	2023/24 £	Total £
A - Policy Savings		(251,740)	(30,000)	(281,740)
B - Operational Savings		(19,892,407)	(6,056,396)	(25,948,803)
Total Savings		(20,144,147)	(6,086,396)	(26,230,543)

A further saving of £0.26m is identified in 2024/05 relating to Street Lighting.

Savings Summary by Directorate

Directorate	2022/23	2023/24	2024/25
	£	£	£
Adult Social Care and Public Health	(7,551,733)	0	(7,551,733)
Children's Services and Customer Engagement:			
- Children's Services	(5,431,260)	(888,396)	(6,319,656)
- Customer Engagement	(3,083,745)	(4,470,000)	(7,553,745)
Economy, Environment and Communities	(975,374)	(728,000)	(1,703,374)
Resources and Transformation	(3,102,035)	0)	(3,102,035)
Total	(20,144,147)	(6,086,396)	(26,230,543)

Appendix 3 – Draft Capital Programme 2022/23 to 2025/26 – Council Funded Schemes

Directorate	Capital Scheme	Detail of Capital investment	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Rolling Programme Schemes						
Economy, Environment & Communities	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	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	2,800,000
Children's Services	Aids and Adaptations / Preventative Adaptations/ Supporting Independence	This project directly supports the council's: 1. Statutory requirement to provide disabled facility grants (DFGs) this includes enabling the council to provide a continuous service rather than as some councils do in terms of stock-piling enquiries till new grant allocations are made to them. 2. Provision of maintenance of lifts and hoists. 3. Minor adaptation works. 4. Domestic electrical safety.	412,000	412,000	412,000	412,000
	Health Through Warmth - Tackling Fuel Poverty	To help provide a safety net for those who cannot access other funding sources and is available as a loan charged on the individuals' property that is repaid upon sale or relevant transfer of their home. For this sum per year, it could offer 28 new boiler systems and 25 boiler repairs. Also helps secure continued investment from external agencies in tackling fuel poverty and excess winter deaths in the borough.	75,000	75,000	75,000	75,000
Council Wide	Funding to support essential works including health and safety, and other projects that cannot be programmed at start of year	1: Asbestos removal - the authority is required by legislation to manage asbestos within its properties and to remove to comply with health & safety legislation. 2: Statutory testing of gas and electrical systems in buildings. 3: Control of Legionella - statutory requirement to test all water systems and undertake upgrades and improvements as required. 4: Fire Risk Assessment - statutory requirement to ensure compliance with health & safety. 5: Demolition of redundant buildings to provide saleable assets and increase market value of sites. 6: General repair & maintenance of buildings, historic buildings, aiding relocations. 7: Self-insured property damage – insurance excess. 8: Risk Management - unforeseeable events.	1,000,000	1,000,000	1,000,000	1,000,000
Total Rolling Programme Schemes			4,307,000	4,307,000	4,307,000	4,307,000
Prior Year Approvals						
Economy, Environment & Communities	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 the council's CO2 reduction targets.	200,000	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	20,000

Directorate	Capital Scheme	Detail of Capital investment	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Economy, Environment & Communities	Promotion of Community Health and Safety	Ongoing funding of 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 these local schemes it is possible to improve local quality of life and safety creating safer communities.	120,000	120,000	120,000	120,000
	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.	650,000	0	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 2023/24. This highways investment represents the council contribution to these stations. Scheme rephased.	0	3,000,000	0	0
	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. Replacement scheme funded using council capital funding and the Department for Transport Maintenance Block.	750,000	750,000	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 local authority owned Materials Recycling Facility. (£7.01m approved in 2021/22)	2,722,000	0	0	0
	Enterprise Zones	Required for the council to manage 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. (£6.82m approved in 2021/22)	13,938,273	4,072,473	0	0
	Waste Management Strategy	Strategic acquisition of property to support the future delivery of the council's waste management strategies. (£10.83m approved in 2021/22)	3,004,788	0	0	0
	Bloxwich Active Living Centre landing development	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. Proud investment	170,000	0	0	0
	High Streets Fund	To invest in Walsall to deliver a much-needed boost to our high street at this challenging time, match funding to external funding announced by MHCLG (now LUHC – Dept for Levelling Up, Housing & Communities) on 26 December 2020 (£100k approved in 2021/22) Rephased allocation from 2022/23.	0	7,533,735	15,875,761	605,576

Directorate	Capital Scheme	Detail of Capital investment	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Children's Services	School Estate Condition Survey	Ongoing provision to cover school conditions. Part allocation from 2020/21 proposed to be carried forward to 2021/22.	250,000	250,000	250,000	250,000
	School Temporary Classrooms	Ongoing provision for improving / replacing permanent mobile classrooms when they reach a state of disrepair. This has been held corporately to fund emergency costs arising.	250,000	250,000	250,000	250,000
Resources & Transformation	Council House Roof Repairs	Replace roof as it is at the end of its life, plus timber repairs. (£750k approved in 2021/22)	750,000	0	0	0
	Replacement of 'tablet' technology	A 'tablet rollout' programme was completed during 2019 enabling agile working and the adoption of Office 365, with replacement starting in 2022.	2,250,000	2,250,000	0	0
	Smartphones	Current mobile phone devices will require replacement. Out of life devices will not receive security patches nor upgrades to the android operating system - will result in 'apps' not being updated, including 'outlook app' used to receive email. (£200k approved in 2021/22)	200,000	0	0	0
	Card payments, digital website etc)	To ensure the council remains PCI compliant and allows for citizens to pay for services on line. (£750k approved in 2021/22)	250,000	0	0	0
	Maintaining a safe and secure environment	Hardware & software upgrades to maintain compliance for current standards e.g. BACS software & open banking compliance. (£2.56m approved in 2021/22)	200,000	200,000	0	0
	Computer Aided Facilities management system	To provide a comprehensive computer based integrated system to manage repairs, minor and major works, stock condition, financial modelling, asset and new build evaluation, contract management, DLO module for staff allocation such as direct labour and soft FM caretaking and cleaning, asset management property records, valuation toll, gis integration, finance loading of invoicing, statutory compliance, asbestos etc. (£250k approved in 2021/22)	100,000	0	0	0
Council Wide	Pipeline investment	Funding for pipeline investment opportunities. This to include additional match funding costs if required to support projects in planning / development, subject to approval of a full business case by Cabinet to access these funds. (£28m approved in 2021/22)	8,000,000	4,000,000	0	0
Total Prior Year Approvals			33,825,061	22,646,208	16,715,761	1,445,576
New Bids						
Children's Services	Social Housing	Social Housing decarbonisation match funding to support bid to improve council owned housing stock - as approved by Cabinet 8 September 2021	283,600	0	0	0
Total New Bids			283,600	0	0	0
Total Draft Capital Programme – Council Funded Schemes			38,415,661	26,953,208	21,022,761	5,752,576

Appendix 4 – Draft Capital Programme 2022/23 to 2025/26 – External Funded Schemes

Directorate	Capital Scheme	Detail of Capital investment	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Economy, Environment & Communities	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.	5,439,498	0	0	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	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 or to prevent them forming in the first place. Funding is based upon a formula using road length data.	154,600	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. (Department for Transport / West Midlands ITA).	1,276,300	1,276,300	1,276,300	1,276,300
	High Streets Fund	To invest in Walsall to deliver a much-needed boost to our high street at this challenging time, as announced by MHCLG (now Dept for Levelling Up, Housing & Communities) on 26 December 2020.	6,479,967	0	0	0
Children's Services	Disabled Facilities Grant	This project directly supports the council's statutory requirement to provide disabled facility grants (DFGs). It is based on the delivery of the ring fenced award of grant money from government. The project has a direct positive impact on the number and subsequent varied costs to the council from the increasing level of demand for home adaptations.	3,314,771	3,314,771	3,314,771	3,314,771
	Social Housing	Social Housing decarbonisation bid to improve council owned housing stock - external funding bid as approved by Cabinet 8 September 2021	607,200	0	0	0

Directorate	Capital Scheme	Detail of Capital investment	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Children's Services	Integrated Community Equipment Store (ICES)	Supplies equipment to people with both a social care and a health need on an assessed needs basis. This is a pooled budget between the CCG and the council, this capital funding will be used to purchase this equipment which will enable people to return home or continue to remain at home. This now forms part of the Better Care Fund (BCF) for which the council is host. (Department of Health).	888,000	888,000	888,000	888,000
	Basic Need	Paid to LAs to support the capital requirement for providing new pupil places by expanding existing maintained schools, free schools or academies, and establishing new schools. (Department for Education).	1,319,871	1,319,871	1,319,871	1,319,871
	Devolved Formula Capital	Received by the LA then allocated out to individual schools as per allocations defined by the DfE. It is intended to provide schools with capital funding for improvement to buildings and other facilities, including ICT, or capital repairs / refurbishments and minor works. (Department for Education).	514,854	514,854	514,854	514,854
	Capital Maintenance	Allocated to the LA on an annual basis to improve and maintain the condition of the school estate (buildings and grounds). Investment is prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues. (Department for Education).	1,917,799	1,917,799	1,917,799	1,917,799
Total Draft Capital Programme - External Funded Schemes			23,855,860	11,329,195	11,329,195	11,329,195