

Cabinet – 21 June 2023

Pre-Audit Outturn 2022/23

Portfolio: Councillor Bird, Leader of the Council

Related Portfolio: All

Service: Finance – council wide

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

1.1 To inform Cabinet of the pre-audit revenue and capital outturn position for 2022/23, and financial health indicators for 2022/23.

2. Summary

2.1 *Pre-audit outturn 2022/23*

The overall net revenue pre-audit outturn is £138.08m against a budget of £138.43m, an underspend variance of £352k (0.05% of gross expenditure). The pre-audit capital outturn is a net break even position, net of carry forwards of £139.19m.

3. Recommendations

That Cabinet:

3.1 Note the pre-audit revenue outturn underspend of £352k, equivalent to 0.05% of gross revenue expenditure.

3.2 Note the service's position (**table 1** and **Appendix 1**) and the carry forward of undelivered 2022/23 savings (**Appendix 3**) to 2023/24 and that 2023/24 savings delivery will be kept under review and progress reported to Cabinet in July.

3.3 Note the transfers from and to earmarked reserves as set out in **table 2** and **Appendix 2**.

3.4 Note that the opening general reserves balance will be £18.70m as at 1 April 2023.

3.5 Note the pre-audit capital outturn is a net break-even position, net of carry forwards of £139.19m (**table 7** and **Appendices 4 and 5**).

3.6 Note and agree the final amendments to the 2022/23 capital programme (since the last update to Cabinet in February 2023), as set out in **table 6** in section 4.12 and approve the capital re-profiling/carry forwards from 2022/23 to 2023/24 as set out in **Appendices 4 and 5**.

3.7 Note the financial health indicators for 2022/23 as summarised in **Appendix 7**.

4. Know - Context

4.1 Cabinet received regular financial reports to allow it to monitor the financial position of the council and consider plans for corrective action during 2022/23. Maintaining financial stability is a key requirement of the Medium-Term Financial Framework (MTFF). This report contains the pre-audit revenue and capital outturns for 2022/23.

Pre-Audit Revenue Outturn 2022/23

4.2 Managers are required to deliver their service targets and improvements within budget. Small variations are normal and not material on a gross revenue budget of £703.98m. The council wide pre-audit net revenue outturn is an underspend of £352k, equivalent to 0.05% of gross revenue expenditure, which is summarised by directorate in **table 1** below. Further detail at service level is shown in **Appendix 1**.

4.3 The previous revenue position reported to Cabinet on 8 February 2023 forecast a marginal underspend of £57k (as at the December 2022 reporting position). The final position is therefore a marginal improvement on this figure overall, with the main variations being:

- Adult Social Care – increase of £980k, mainly as a result of the increase in intermediate care costs (£680k), legal costs (£290k), joint funding arrangements (£1.06m), bad debt and staffing £120k), offset by increase in income from hospital discharge funding (-£520k), increased client contributions (-£650k).
- Childrens' Services – an increase of £2.09m from the previous position reported to Cabinet in February. Mainly relating to increases in children in care demand due to new starters and unachieved placement sufficiency savings (£1.51m); increase in Educational Psychology due to backlog of assessments (£120k); home to school transport (£220k); increased legal costs (£100k) and recruitment and retention of social workers (£100k). To support savings in 2023/24, the service are actively tracking a number of children in high-cost placements and working towards stepping down care plans to either internal residential, foster care or semi-supported accommodation placements.
- Customer Engagement – net reduction of £90k, mainly from increase in overpayment and free school meals income; reduction in staffing costs across the directorate; offset by increases in postage, computer and bank charges and increase in payments for Walsall Connected sites.
- Economy, Environment and Communities – net reduction of £1.65m, mainly from the one off use of Public Health reserve (£1.58m), with the remainder from reduced waste disposal costs, increased bereavement and Active Living Centre income, part offset by an increase in vehicle hire, agency costs and energy for unmetered supply for traffic signals following contract renewal.
- Resources and Transformation – net reduction of £810k, mainly from increased income in both Finance and Integrated Facilities Management, and a general reduction in staffing and running costs across the directorate.
- Central (non-service specific) budgets – reduction of £820k from the review of central budgets.

Table 1: Pre-audit Revenue Outturn 2022/23

Directorate	Net Budget	Year-end pre-audit outturn prior to transfer to / (from) earmarked reserves	Year-end pre-audit variance to budget prior to transfer / (From) earmarked reserves	Transfers from reserves	Transfer to earmarked reserves	Year-end Pre-audit variance
	£m	£m	£m	£m	£m	£m
Adult Social Care, Public Health & Hub	68.75	80.48	11.74	(10.97)	4.23	5.00
Children's, Education & Customer Engagement						
- Children's and Education	81.91	94.54	12.63	(4.69)	1.37	9.31
- Customer Engagement	18.30	18.41	0.12	(2.01)	0.78	(1.12)
Economy, Environment & Communities	59.96	65.35	5.38	(10.04)	1.29	(3.36)
Resources & Transformation	31.68	36.39	4.70	(8.20)	2.12	(1.38)
Services Position	260.60	295.17	34.57	(35.91)	9.79	8.45
Capital Financing	(14.64)	(14.00)	0.64	(9.12)	2.18	(6.30)
Central budgets	(107.54)	(113.31)	(5.78)	(16.97)	20.25	(2.50)
Total council tax requirement	138.43	167.86	29.43	(62.01)	32.22	(0.35)

Earmarked Reserves

4.4 The year-end forecast includes the use of earmarked reserves of £62.01m and transfers to earmarked reserves of £32.22m. These are shown at **Appendix 2**.

Earmarked reserves are created for specified purposes. These are all planned to be used, although the period over which they are to be used may vary. Residual Covid-19 costs funded from the S31 Covid-19 Response Fund and other Covid-19 related grants carried forward from 2021/22 are recorded as expenditure within services, with a corresponding transfer in of grant from earmarked reserves to fund the costs and these total £17.70m of the £62.01m planned use of reserves.

Of the £32.22m of transfers to reserves £7.96m relates to anticipated cost pressures (cost of living and social care demand), £7.80m for council liabilities (pensions, business rates retention) and £4.85m grants received in advance. The full breakdown is shown in **Table 2** below and by reserve in **Appendix 2**.

Table 2: Earmarked Reserves					
	Adjusted Opening Balance 01/04/22	Transfers from Reserves	Transfers to Reserves	Transfer to General Reserves	Closing Balance 31/03/23
	£m	£m	£m	£m	£m
Treasury Reserves	30.25	(8.80)	2.18	0.00	23.63
Grant / Contributions received in advance	26.03	(9.24)	4.85	(0.00)	21.63
Improvement projects	34.98	(6.18)	4.76	(0.03)	33.52
Cost Pressures	16.69	(3.34)	7.96	0.00	21.30
Council Liabilities	53.83	(10.25)	7.80	(0.19)	51.18
Covid-19 grants	18.52	(17.70)	0.00	0.00	0.83
Public Finance Initiatives	22.04	(4.03)	0.00	0.00	18.01
Risk	8.73	(1.40)	3.33	0.00	10.65
Other	7.61	(1.05)	1.35	(0.43)	7.47
Total	218.67	(62.01)	32.22	(0.66)	188.23
Dedicated Schools Grant*					0.52
Total Earmarked Reserves	218.67	(62.01)	32.22	(0.66)	188.75

*Transferred to unusable reserves in line with accounting legislation as there is a closing credit balance of £525k.

Reserves are categorised for the purposes of reporting as follows:

- **Treasury reserves.** These reserves are to minimise the impact of interest rate changes and finance early redemption of loans to reduce the council's future interest exposure;
- **Grants / contributions received in advance.** This is where the council has received money in advance of the next accounting period or covers more than one accounting period. These amounts will be spent in line with the grant conditions;
- **Improvement projects.** These reserves are to finance service modernisation; specific projects such as pilot street cleansing initiatives, Cloud services, Oracle development, economic growth programme; and costs in relation to the council's transformation programme;
- **Cost pressures.** To include review of working practices including blended working, fluctuations in service demand such as in adult social care, crisis support and children in care;
- **Council liabilities.** These reserves cover expenditure where the council has a legal obligation to pay costs, such as equal pay claims and redundancies. In addition to these there are reserves for business rate appeals, pensions and insurance claims;
- **Covid-19 grants.** The carry forward of specific government grants to cover Covid pressures, including expanded retail relief for businesses;
- **Public Finance Initiatives.** Liabilities for our PFI's with Street Lighting and St Thomas More;
- **Risk.** To cover unforeseen risks in 2023/24 at the time the budget was set;
- **Other.** These reserves are to support a wide range of future costs such as partnership working with other external bodies.

4.5 Directorate Variances to Budget

The following sections provide a summary of the major variances (unders and overs) to budget for each directorate, which have been well reported during the year. Services overall reported an overspend of £8.45m, offset by underspends within capital financing and central budgets.

Adults Social Care, Public Health and Hub (£5.00m overspend after use of and transfers to reserves)

The pre-audit outturn position, after the net use of reserves is an overspend of £5.00m, the main areas of significant variance being:

- (£150k) – Under spend on rapid response costs based on current demand.
- £4.96m – Increase in client package costs and associated income contributions – see **Appendix 6** for demand performance data.
- £350k – Overspend relating to Intermediate Care services and the Integrated Equipment Store (ICES), as a result of additional demand and increased complexity of clients upon discharge from hospital.
- £1.25m – Increase Adult Social Care bad debt provision to reflect a 50% provision for current outstanding client debt (current outstanding client debt as at 31st March 2023 is £7.64m).
- (£830k) – Additional income from joint funding arrangements including Continuing Healthcare and Section 117.
- £750k - contractual inflation of the Housing 21 unitary charge is higher than originally included in the MTFO as based on February RPIx prior to the charge year (fully offset by the use of housing 21 reserve).
- £160k - additional cost of the interim management and staffing arrangements across the directorate (partially offset by the use of Covid reserves).
- £130k – Additional cost of interim management and agency staff within the corporate procurement service.
- £290k – As a result of external legal costs relating a specific client case and an additional internal recharge from Legal services due to increased locum costs to support with service activity.
- £470k - delays in the delivery of savings related to the review of existing older people's care packages. Based on savings delivered this financial this project is estimated to deliver full year effect savings of £3.10m in 2023/24. Therefore the pressure of £470k will be delivered in 2023/24 with an additional £2.67m used to support the Adult Social Care MTFO position and 2023/24 new savings.
- £1.30m - delays in the delivery of savings to reduce new demand through the 'front door' including the provision of alternative support. Based on the above, this project is estimated to deliver full year effect savings of £1.09m in 2023/24. ASC are working through a needs assessment analysis on inflow to inform front door STP modelling assumptions, and to articulate what services form the key drivers to prevent inflow e.g. resilient communities, DFG and digital technology.
- £1.43m - This is made up of £1.76m shortfall in funding from the Learning Disability Joint Funding arrangements, partially offset by a one-off mitigation of £0.33m. On-going discussions with the Integrated Care Board regarding the joint funding arrangement from 2020/21 remains in progress. Mitigating options for this shortfall are currently being considered.
- £870k – delay in the saving relating to Better Care Finance due to future-proofing and integration with other systems. ASC are working on modelling of what can be achieved through income generation and process improvements.
- (£6.00m) – use of covid and other reserves.

Children's Services (£9.31m overspend after use of and transfers to reserves)

The pre-audit outturn position, after the net use of reserves is an overspend of £9.31m, the main areas of significant variance being:

- £7.80m – Children in care demand increases relating to impact of price increases from 2021/22 (£1.60m); ongoing impact of placement costs and the number/mix of young people in care (£1.43m); placement moves and price increases in 2022/23 (£3.18m); increase in weekly costs of placements for new starters

(£1.71m); unachievable placement sufficiency savings with mitigation required in 2023/24 (£1.10m); offset by £1.22m in year action plan within the service – see **Appendix 6** for demand performance data.

- £640k – increased cost of agency cover within the Special Education Needs team, relating to clearing a backlog of Education and Health Care Plan cases and meeting the ongoing demand.
- £670k – increased cost of agency cover within the Educational Psychologists team due to high number of vacant posts. In addition, due to staffing pressures, the traded service only operated September-March resulting in an under-achievement of income.
- £630k – unachieved savings relating to recruitment and retention of social workers, resulting in agency cover to replace vacant posts.
- £200k – home to school transport for children in care, due to increased costs of routes linked to increased cost of living and higher number of out of borough placements.
- £290k – demand on legal services due to complexity of cases.
- £250k – professional fees including nursery fees, hotel costs, transport costs, therapeutic support and section 17 (no recourse to public funds) payments. Costs of these services are increasing in order to support demand benefits and prevent children from entering care.
- (£1.19m) – other overspends across the directorate of £80k offset by £1.27m directorate action plan to assist with the overall position.

Customer Engagement (£1.12m underspend after use of and transfers to reserves)

The pre-audit outturn position, after the net use of reserves is an underspend of £1.12m, the main areas of significant variance being:

- (£712k) – Money Home Job - underspends on housing benefit subsidy / overpayments, additional government grant income, additional free school meals and rental income, staffing and general running costs, partly offset by shortfalls in court fee income and increased bank charges.
- (£400k) – one off agreed in year mitigation from funding of Crisis Support Scheme and reduction in New Burdens grants.

Economy, Environment and Communities (£3.36m underspend after use of and transfers to reserves)

The pre-audit outturn position, after the net use of reserves is an underspend of £3.36m, the main areas of significant variance being:

- (£1.93m) – Clean and Green net underspend, mainly as a result of reduced waste disposal costs (£1.88m), over-recovery of trade waste income (£197k), and one off use of Public Health reserve (£654k), with increased costs for vehicle fuel and hire, under-recovery of markets income, and increased staffing costs due to the delay in the restructure of the service.
- (£695k) – Leisure – due to over-recovery of Active Living Centre income and general underspend on staffing due to vacancies and casuals.
- £243k – Bereavement Services under-recovery of income along with increased costs of agency staff, coroners costs, and registrar office electronic calendar software.
- £344k – Planning and Building Control – Under recovery of planning applications income, overspend on legal fees and overspend on agency staff and fixed term staff to support demand.
- (£644k) - Regulatory Services - use of one-off Public Health reserves offset by overspend on staffing due to delay in restructure and under recovery of licencing income.

- (£295k) – Communities and Partnerships net underspend on staffing due to delay in Resilient Communities restructure.
- (£147k) – Library Services net underspend due to vacant posts.

Resources and Transformation (£1.38m underspend after use of and transfers to reserves)

The pre-audit outturn position, after the net use of reserves is an underspend of £1.38m, the main areas of significant variance being:

- (£559k) – Finance – underspends on staffing, additional social care income from appointeeships and charges to capital schemes, part offset by One Source licence costs.
- (£340k) – Integrated Facilities Management – over-recovery of rental income within Asset Management, with additional income from recharges to capital, and underspends on climate change, partly offset by increase in professional fees.
- (£534k) – Digital and Technology Services – underspends on staffing and general running expenses.

Capital Financing (£6.30m underspend after use of and transfers to reserves)

Borrowing planned to be taken out to cover the prior year capital programmes during 2022/23 will no longer take place as, following a review of cash balances, it is considered more prudent to internally borrow, which will reduce interest costs as well as reducing counterparty risk. This, together with the early repayment of two loans, has resulted in a saving against budget of £6.30m.

Central Budgets (£2.50m underspend after use of and transfers to reserves)

Central budgets are non-service specific budgets and include items which are planned to be transferred to earmarked reserves to manage corporate costs and liabilities, such as workforce planning, pensions, insurance fund, and to replenish transformation reserves. The reported position for central budgets is a net underspend of £2.50m.

- 4.6 As a result of the year-end position, opening general fund balances will be £18.70m as at 1 April 2023, which although more than the minimum required in the budget report, is considered a prudent amount for 2023/24 given the cost of living pressure and risks to savings delivery.

Covid-19 impact on the Pre-audit outturn 2022/23

- 4.7 There continued to be some additional costs associated with our response to Covid-19, and increased impact from cost-of-living pressures, including staffing, support to residents and council taxpayers and businesses and support to the elderly and vulnerable, particularly in relation to Adult Social Care and Children's Services. In addition, the council has continued to face some reduction in sources of income.
- 4.8 A residual amount of £7.11m was approved to be carried over from 2021/22, which is summarised at **Table 3**. Of this, £4.14m related to grants ringfenced to specific activity, which are all now committed and spent in accordance with respective grant conditions, apart from £338k of Omicron Support Fund grant, which is expected to be spent beyond 2023/24. The balance of £2.97m related to unallocated unringfenced Covid-19 grant funding which has been fully committed and spent as detailed in **Table 4**.

Source of funding	Balance b/f from 2021/22 £m	Actual spend 2022/23 £m	Forecast carry forward to 2023/24 £m
Covid-19 support package (unringfenced)*	2.97	2.97	0.00
New Burdens Funding - Business rates admin	0.45	0.45	0.00
Wellbeing for Education funding	0.02	0.02	0.00
Contain Outbreak Management Fund (COMF)	2.95	2.95	0.00
Omicron Support Fund	0.36	0.02	0.34
Clinically Extreme Vulnerable support grant	0.15	0.15	0.00
Community Champions	0.21	0.21	0.00
Total Funding	7.11	6.77	0.34

Details	£m
Balance b/f from 2021/22	2.97
Adjustment for general fees and charges grant	(0.08)
Central - one-off investment – as approved as part of 2022/23 budget	(0.27)
Children's – children in care placement costs related to Covid-19 (approved by Cabinet 20 July 2022)	(0.85)
Children's – increase in complex need costs of children in care (approved by Cabinet 18 October 2022)	(0.07)
Children's – increase in placement costs of children in care (approved by Cabinet 18 October 2022)	(0.12)
Children's – increase in placement costs of children in care due to delays in court proceedings (approved by Cabinet 14 December 2022)	(0.18)
Adult Social Care - Access Team (approved by Cabinet 20 July 2022)	(0.14)
Adult Social Care - Learning Disability Team (approved by Cabinet 20 July 2022)	(0.26)
Adult Social Care – Service Transformation savings delivery / Demand (approved by Cabinet 20 July 2022)	(1.00)
Balance remaining	0.00

Collection Fund

- 4.9 *Business Rates Retention Scheme* - 2022/23 was the sixth year the council participated in the 100% Business Rates Retention pilot with the six other West Midlands Metropolitan Authorities, with each billing authority now retaining 99% of Non-Domestic Rates (NDR) received with the remaining 1% for the West Midlands Fire Service. An increase in income due to changes in rateable value, reduction in successful appeals, exemptions and discounts resulted in an in-year surplus which has reduced the deficit carried forward on the collection fund. The council bears 99% of the overall deficit, which will reduce the councils local share income for 2023/24.

The outturn position for 2022/23 on the collection fund is an in-year surplus of £10.668m. The final outturn includes a brought forward deficit of £16.697m (of which £16.446m was attributable to Walsall Council) from 2021/22, resulting in a net deficit being carried forward into 2023/24 of £6.029m (£5.884m attributable to Walsall).

- 4.10 *Council Tax* – The collection fund showed a total surplus in 2022/23 of £0.532m for council tax including preceptor's (Fire and Police) amounts. After taking into account a brought forward surplus totalling £0.329m and transfers out to the general fund and preceptors during 2022/23 totalling £0.237m, there is a closing surplus for 2022/23 of £0.624m (of which £0.564m is attributable to Walsall).

Walsall Proud Savings

- 4.11 The 2022/23 budget was predicated on delivery of £18.86m of benefits realisation (savings) using Proud ways of working and thinking across the council, significantly enhancing our enabling technology capabilities, and improving our service efficiency and performance. A robust risk assessment of the 2022/23 budget was undertaken prior to the budget being set in February 2022. Action was taken corporately in-year to address ongoing demand and cost pressures within services, mainly within Children's Services and Adult Social Care. There was a further £5.36m of benefits approved to be carried forward for delivery from 2021/22, giving a total benefit figure of £24.22m which was due to be achieved in 2022/23.

As shown in **Table 5**, of the £24.22m benefits identified for delivery, £16.67m were fully delivered in year and £7.55m were not fully achieved. Of this, £2.20m was mitigated in year through alternate actions or service underspends. Undelivered benefits will therefore be carried forwarded for delivery in 2023/24. Further details are provided in **Appendix 3**.

Table 5: Delivery of Savings by Directorate 2022/23			
Workstream	Delivered £m	Delayed £m	Total £m
Adult Social Care, Public Health & Hub	8.60	5.06	13.66
Children's, Education & Customer Engagement			
- Children's and Education	4.41	1.74	6.15
- Customer Engagement	0.62	0	0.62
Economy, Environment & Communities	1.55	0.43	1.98
Resources & Transformation	1.49	0.32	1.81
Total	16.67	7.55	24.22

Pre-Audit Capital Outturn 2022/23

- 4.12 A revised capital programme for 2022/23 was approved by Cabinet on 8 February 2023 of £232.01m. **Table 6** summaries further amendments to the end of March 2023, resulting in a final programme of £234.64m, which Cabinet are asked to formally agree.

Table 6: Amendments to Capital Programme 2022/23	
Project	£m
Capital programme 2022/23 per Cabinet 8 February 2023	232.01
Council Funded	
Car park resurfacing – revenue contribution	0.04
CCTV for temporary accommodation	0.14
Schools utilisation of Dedicated Schools Grant	2.71
Saddlers project - car park/new toilets to support Connected Gateways – part 2023/24 approval moved forward to 2022/23	0.34
Enabling Support Services/One Source system – part 2023/24 approval moved forward to 2022/23	0.12
Refurbishment investment in Civic/Council House – part 2023/24 approval moved forward to 2022/23	0.10
Wheeled bin stock – part 2023/24 approval moved forward to 2022/23	0.08
Replacement obsolete traffic control systems – part 2023/24 approval moved forward to 2022/23	0.01
School temporary classrooms – part 2023/24 approval moved forward to 2022/23	0.08
Cremator repairs – funded from Pipeline Development	0.05
Nottingham Drive Car Park – funded from Pipeline Development	0.24
Mosaic system – funded from Pipeline Development	0.03
Pipeline Development	(0.32)
M6 Junction 10 underspend moved to contingency	(0.65)
Darlaston Pool energy efficiency – funded from contingency	0.06
Balance to capital contingency	0.59
Externally Funded	
Highways CCTV upgrade – new allocation	0.28
Devolved Formula Grant – additional allocation	1.10
UK Shared Prosperity fund – new allocation	0.10
A41 Transforming Cities – additional funding from Wolverhampton Council	0.03
Family hub for children – new allocation	0.06
Flood alleviation Bloxwich – new allocation	0.05
Local Authority Delivery Scheme 1 – adjustment to allocation	(0.11)
Future High Streets Fund – adjustment to allocation	(2.25)
Local Authority Delivery Scheme 2 – adjustment to allocation	(0.23)
Warm homes – adjustment to allocation	(0.08)
Bloxwich Towns Deal – adjustment to allocation	0.04
Health through warmth contributions	0.01
Changing places toilets – adjustment to allocation	0.01
Final revised capital programme 2022/23	234.64

4.13 The draft pre-audit capital outturn is a net break even position, net of carry forwards of £139.19m. This is shown by scheme at **Appendix 4** (council funded) and **Appendix 5** (external funded), and summarised in **table 7**:

Table 7 : Pre-audit Capital Outturn 2022/23					
Funding	Budget £m	Outturn £m	Variance £m	Re-Profiling / Carry Forward to 2023/24 £m	Underspend £m
Council Funded	95.66	33.75	(61.91)	61.91	0.00
Externally Funded	138.98	61.70	(77.28)	77.28	0.00
Total	234.64	95.45	(139.19)	139.19	0.00

- 4.14 A council funded underspend on the M6 J10 scheme of £650k has been transferred to create a capital contingency to cover any emerging pressures within other approved schemes due to cost of living rises and any new unforeseen capital expenditure. Of this, £60k has been utilised to fund Darlaston Pool energy efficiency works, leaving the balance of £590k added to capital contingency, which is referred to in the movements in the capital programme provision at **table 6** above.
- 4.15 In year re-profiling, leading to carry forwards into the following year, is a routine and normal practice. Capital carry forward is defined as a means to carry capital resources from one year to another to cover identifiable commitments that have moved from one year to another, or for where a project spans more than one year. In any large organisation dealing with construction projects, procurement regulations, etc, a level of carry forward is expected and built into resourcing assumptions. It is recognised that capital projects can cross over years, and it is often difficult to be accurate in the estimation of which year the expenditure will be incurred. Cabinet are asked to approve the carry forwards of £139.19m of unspent capital schemes as shown in **Appendices 4 and 5**.
- 4.16 As indicated above, 55.5% or £77.28m of the total variance relates to grant/external funded schemes. Of these, £30.96m relates to schools/children's, £10.19m for supporting independent living (disabled facilities, energy), £33.78m to major regeneration schemes, and £2.35m to transport / highways schemes. These schemes tend to require carry forward due to the timing of the receipt of the grant versus the actual spend, which in school's is often during the summer of the next financial year.

Financial Health Indicators 2022/23

- 4.17 The annual review of financial health indicators is shown at **Appendix 7**. This summarises the following:
- Strong treasury management performance for 2022/23.
 - Strong balance sheet financial performance.
 - Council tax and business rate collection rates as expected.
 - Strong sundry debtor collection rates, showing an overall average number of 25 days.
 - Strong creditor performance, showing an overall average number of 6.5 days.
 - Revenue and capital position for 2022/23 – as outlined in the sections above.
- 4.18 The pre-audit prudential and local indicators as at 31 March 2023 are shown in the Treasury Management Annual Report 2022/23, which is a separate report on this agenda for Cabinet.

Council Plan priorities

- 4.19 The councils financial strategy and annual budget process is designed to ensure that resources follow council priorities as set out in the Council Plan. Delivery of services within budget is fundamental to ensuring and maintaining financial stability.

Risk management

- 4.20 The 2022/23 budget and level of operating reserves were set following a robust financial risk assessment. The level of reserves can only be set based on a set of realistically foreseeable or predicted parameters. Due regard is made to the strategic and operational risks facing the council. Some of these relate to the current economic condition, others to potential regulatory or national issues, which may have a local impact. This has been and continues to be managed through close management and reporting of costs, loss of income, and other indirect impacts to CMT and Cabinet.
- 4.21 As well as financial risk, the council maintains a register that highlights key themes of organisational risk which is reported to Audit Committee as part of their annual work programme. The Strategic Risk Register (SRR) has been reported to CMT and oversight in relation to this rests with Audit Committee, which have received a number of reports during 2022/23.
- 4.22 Managers are required to deliver service and improvement targets on time, to standard and within budget. The resource allocation process is governed by the overarching Medium Term Financial Framework. Risk management is an integral part of this activity and is embedded in budget preparation, monitoring and forecasting to enable potential variances and risks to be identified early and addressed.
- 4.23 Delays in the delivery of some 2022/23 savings (**Appendix 3**) has resulted in an increased level of savings to be delivered in 2023/24, leading to additional risk in relation to capacity etc to deliver these. All savings are required to have delivery plans in place and progress in relation to delivery will be tracked on a monthly basis and will be reported to management and Cabinet throughout 2023/24, along with any actions to address any delays.
- 4.24 Pay and price inflation risk has been considered and accommodated within the 2023/24 budget, based on best professional assumptions.

Financial implications

- 4.25 The outturn position will affect the overall financial standing of the council. The aim is to ensure the councils balances are at a level consistent with the requirements of the MTFF. The council has a statutory responsibility to set a balanced budget and to ensure it has an adequate level of reserves. The council takes a medium term policy led approach to all decisions on resource allocation. This report sets out that the council has delivered on its financial strategy and outturned with reserves intact for 2022/23.

Legal implications

- 4.26 The council is required to set and operate within a balanced budget. The council has due regard to its statutory responsibilities in proposing any changes to service provision and its statutory responsibilities in relation to setting a balanced budget.

Procurement implications / social value

- 4.27 All procurement activity is being reviewed as part of the Proud 'Commissioning, Procurement & Contract Management' workstream. This workstream focuses on identifying opportunities that will enable us to financially support our current and future services, especially those developed by Walsall Proud. It will do this by reviewing and reducing third party spend and improving the 'Procure to Pay' process and systems.

The Third Party Spend Board supports and challenges services through the gateways of the commissioning and procurement process, with the ultimate aim of achieving best value for money.

Property implications

- 4.28 Cabinet in December 2021 approved the Council's Strategic Asset Plan 2022-27. The Strategic Asset Plan is the key document which sets out the council's vision and approach for the management of its property portfolio under the new Corporate Landlord model.

The Corporate Landlord model approach takes a more strategic approach to property and asset management across the council, bringing together property, facilities management and commissioning responsibilities into a key enabling service under the council's new functional model. This will ultimately enable the development and implementation of an estate that supports Proud and the wider corporate objectives of the council.

Health and wellbeing implications

- 4.29 There are no direct implications arising from this report.

Staffing implications

- 4.30 There are no direct implications arising from this report.

Reducing inequalities

- 4.31 The 2010 Equality Act lays a requirement to have due regard to the equality impact when exercising its function. As a public body, the council is required to comply with the Public Sector Equality Duty (PSED), as set out in the Equality Act, 2010. The PSED requires the council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Failure to meet these requirements may result in the council being exposed to costly, time-consuming and reputation-damaging legal challenges.

Climate change

- 4.32 There are no direct implication arising from this report.

Consultation

- 4.33 The report is prepared in consultation with the s151 Officer, relevant managers and CMT.

5. Decide

- 5.1 Cabinet are asked to note the outturn position and to consider and support the recommendations contained within this report in relation to capital carry forwards.

6. Respond

- 6.1 Approved capital carry forwards, as outlined in this report, will be allocated as a variation to the 2023/24 capital programme, and managed during 2023/24.

7. Review

- 7.1 Capital carry forwards, reserves, provisions and contingencies will be managed alongside the approved 2023/24 revenue budget and capital programme.
- 7.2 Regular monitoring reports will be presented to Cabinet and Scrutiny to inform them and enable them to monitor and where appropriate, challenge service delivery against budget.

Background papers: Various financial working papers.

Appendices:-

- 1 Pre-audit Revenue Outturn position by service for 2022/23;
- 2 Details of (use of) / transfer to reserves;
- 3 Walsall Proud - Benefits 2022/23 with delayed delivery;
- 4 Pre-audit Capital Outturn by scheme for 2022/23 – council funded schemes;
- 5 Pre-audit Capital Outturn by scheme for 2022/23 – externally funded schemes;
- 6 Performance data relating to demand within Children's Services and Adults Social Care;
- 7 Financial Health Indicators 2022/23.

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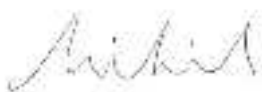
Judith Greenhalgh
Interim Director – Resources

21 June 2023



Shaun Darcy
S151 Officer, and Director of Finance,
Corporate Landlord and Assurance

21 June 2023



Councillor M. Bird
Leader of the Council

21 June 2023

Appendix 1 – Pre-audit revenue outturn position 2022/23

SERVICE	ANNUAL BUDGET	DRAFT OUTTURN AFTER USE OF AND TRANSFER TO EARMARKED RESERVES	VARIANCE TO BUDGET (UNDER) / OVER
	£	£	£
Adult Social Care, Public Health & Hub			
Access, Assessment & Care Management 1	2,661,672	2,225,580	(436,092)
Access, Assessment & Care Management 2	4,185,498	3,866,349	(319,149)
ASC Partnerships	912,825	521,185	(391,640)
Complex Needs	460,554	615,485	154,931
Demand Management	51,228,637	56,012,324	4,783,687
Health & Social Care	946,727	1,012,816	66,089
Intelligence & Delivery	1,859,443	1,840,577	(18,866)
Management Support & Other	(9,601,802)	(9,069,846)	531,956
Mental Health Services	1,669,427	1,787,459	118,032
Older People	9,209,172	9,222,759	13,587
Resources	2,069,432	2,120,092	50,660
Safeguarding SCI	1,732,832	1,920,872	188,040
Strategy, Commissioning & Delivery Support	963,957	1,105,954	141,997
Public Health	351,777	351,777	0
HUBS	96,265	213,288	117,023
Total Adult Social Care, Public Health & Hub	68,746,416	73,746,671	5,000,255
Children, Education and Customer Engagement			
Access & Achievement	21,323,001	22,280,756	957,755
Childrens Social Care	54,012,149	62,966,922	8,954,773
Childrens Wide	1,078,495	812,786	(265,709)
Early Help	5,497,870	5,159,142	(338,728)
Customer Engagement	18,295,852	17,176,773	(1,119,079)
Total Children, Education and Customer Engagement	100,207,367	108,396,379	8,189,012
Economy, Environment & Communities			
Clean and Green Services	23,666,479	21,737,840	(1,928,639)
Regeneration & Economy	5,433,435	5,275,915	(157,520)
Highways & Transportation	15,888,246	15,904,268	16,022
Emergency Planning	312,776	249,588	(63,188)
Leisure & Bereavement Services	2,435,783	1,983,187	(452,596)
Planning & Building Control	1,750,258	2,094,285	344,027
EE & C management	642,618	672,059	29,441
Cultural Services	2,379,097	2,318,117	(60,980)
Resilient Communities	7,452,603	6,364,573	(1,088,030)
Total Economy, Environment & Communities	59,961,295	56,599,832	(3,361,463)
Resources and Transformation			
Black Country LEP	2,378,192	2,378,191	(1)
Democratic Services	1,887,466	1,917,506	30,040

SERVICE	ANNUAL BUDGET	DRAFT OUTTURN AFTER USE OF AND TRANSFER TO EARMARKED RESERVES	VARIANCE TO BUDGET (UNDER) / OVER
	£	£	£
Legal	993,202	1,075,621	82,419
Electoral Services	667,523	649,866	(17,657)
Finance (inc CMT/Internal Audit)	2,651,967	2,093,151	(558,816)
Corporate Assurance	149,167	145,451	(3,716)
Human Resources	2,969,353	2,875,544	(93,809)
Integrated Facilities Management (Hard)	6,579,007	5,991,134	(587,873)
Integrated Facilities Management (Soft)	3,419,955	3,667,424	247,469
Asset management	3,253,033	3,206,093	(46,940)
Programme Management	238,346	238,347	1
Payroll & Pensions	97,376	171,741	74,365
DATS	5,971,804	5,437,082	(534,722)
Programme Delivery	22,563	38,452	15,889
Proud	402,826	416,694	13,868
Total Resources and Transformation	31,681,780	30,302,297	(1,379,483)
Sub Total Services	260,596,858	269,045,179	8,448,321
Capital Financing	(14,636,398)	(20,935,898)	(6,299,500)
Central Budgets / Levies	(107,535,211)	(110,036,285)	(2,501,074)
TOTAL	138,425,249	138,072,997	(352,253)

Appendix 2 – Details of (use of) / transfer to reserves

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
Adult Social Care, Public Health and Hub			
Covid-19 – unringfenced funding	(1,402,170)	0	Primarily used to offset the delay in achieving approved savings, and the ongoing impact on demand within the Access and Learning Disabilities teams.
Covid-19 – Contain Outbreak Management Fund	(2,946,014)	0	Costs to support local test, trace and contain activities as well as wider measures to protect public health and local economies.
Covid-19 – Omicron	(2,500)	0	Costs associated with the plan to strengthen the Carers strategy across the borough following Covid-19
Housing 21	(740,512)	0	Used to fund the increase in unitary charge above that included in the budget due to higher RPI being applied than expected.
Better Care Fund (BCF) / Improved Better Care Fund 2 (iBCF2)	(1,883,641)	40,000	Costs associated with social care activity/intermediate Care.
Public Health	(929,273)	970,545	Relates to grant funding for Public Health projects – Better Mental Health, Adult Weight Management and Universal Drug / Crime
IFRS	(571,610)	335,434	Funding of various one-off projects i.e., Homelessness, Housing First and Mental Health. Transfer to reserve is mainly due to under spend on staffing and contracts.
Social Care Grant – Doctor's assessments	(163,499)	159,500	To support back log of Best Interest Assessors / Deprivation of Liberty safeguard assessments and National Development Team for Inclusion Project.
Mediation	(936,279)	2,728,162	Released as part of in year mitigating actions
Custom card credit balances	(61,690)	0	Released as part of in year mitigating actions
Pay reserve	(82,932)	0	To fund pressures as a result of the pay award
Proud resource plan	(1,249,313)	0	To fund investment and resources to deliver Proud workstream activity
Total Adult Social Care, Public Health and Hub	(10,969,433)	4,233,641	
Children's Services			
Covid-19 – unringfenced funding	(1,213,386)	0	Primarily used to offset pressures relating to children and young people in care resulting from Covid-19.

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
IFRS	(2,314,804)	1,166,476	Relates to grant funding for School Improvements, Safeguarding Families, Protecting Children, Regional Recovery, Rough sleepers, Personal Advisors.
Children in care complex cases	(256,914)	0	To fund pressures, including social workers and placement costs, of complex cases relating to young people in care.
Children's external partner contributions	(20,320)	107,290	Use of Safeguarding Partnership contributions and transfer of underspend on Youth Justice Board to reserves. Both services are significantly funded by external partner contributions.
Children's demand	(274,678)	0	To fund demand related cost pressures
Unaccompanied Asylum-Seeking children (UASC) Migration fund	(6,561)		To support the UASC young people currently placed and to plan for the future increase in demand with providers
St Thomas More PFI	(1,671)		Contractual commitments
Truancy fine income	(29,840)	96,672	Used to fund an attendance officer post.
Pay reserve	(494,434)	0	To fund pressures as a result of the pay award
Covid-19 - Wellbeing for education	(22,107)	0	Grant funding that seeks to better equip education settings to support children and young people's wellbeing, resilience, and recovery in the context of Covid-19.
Proud resource plan	(55,928)		To fund investment and resources to deliver Proud workstream activity - Power BI system
Total Children's Services	(4,690,643)	1,370,438	
Children's - Customer Engagement			
Covid-19 – Business rates administration	(437,440)	0	To cover the additional Covid-19 related admin work to be completed for audit of the grants.
Houses in multiple occupation (HMO) licences	(5,554)	0	To fund staff support costs relating to HMO licences in future years.
IFRS	(568,084)	561,258	Grant funding for Housing First scheme, homelessness, citizens advice bureau, refugee costs and other smaller projects.
Specialist support	(100,000)	0	For dealing with homelessness in the borough
New Burdens	(5,500)	0	Grant received in advance
Redundancy	(106,612)	0	Redundancy costs.
Crisis support	(563,291)	0	To fund costs related to the Crisis Support Scheme.
Pay reserve	(227,990)	0	To fund pressures as a result of the pay award
Housing - Domestic retrofit programme management and admin costs	0	106,000	Projects slipping into 2023/24 with funders agreement - staffing needed to complete works

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
Housing IT system implementation costs	0	112,170	Contract was signed on 31 March 2023 but costs will relate to 2023/24.
Total Children's - Customer Engagement	(2,014,471)	779,428	
Economy, Environment & Communities			
Covid-19 – Clinically extremely vulnerable	(148,407)	0	Covid-19 funding used to support clinically extremely vulnerable residents during the pandemic.
Covid-19 – Community Champions	(60,161)	0	Costs of supporting residents who are most at risk of Covid-19.
Building control fees – statutory account	(28,141)	0	Required to breakeven over a 3-year period which is reviewed annually. Any under/over recovery transferred to/from reserves.
Bus lane enforcement ring fenced income	(380,296)	0	Funding key projects in line with the legislation. <ul style="list-style-type: none"> - Install Bridge Street bus gate; - District signage - Rolling programme to refresh street name plates; - Road lines; - Introduction of Moving Traffic Enforcement legislation.
Street Lighting PFI	(4,029,571)	0	Grant funding to be utilised over the life of the project. This is being utilised to fund the increase in energy costs for 2022/23.
On Street Car Parking income (ringfenced)	(60,000)	443,963	To fund key projects in line with the legislation.
Economic growth programme (EGP)	(249,989)	146,642	To support costs within service to continue functions as per Cabinet report October 2020. Extended to 2023.
IFRS	(1,268,444)	699,501	Primarily relates to grants / contributions carried forward where spend was delayed due to Covid-19 or spend spans more than 1 year.
Phoenix 10	(55,050)	0	To fund professional fees
Town Centre Master Plan	(326,469)	0	Costs associated with the Town Centre Master Plan redevelopment
Feasibility / Options appraisals	(47,202)	0	To cover costs which cannot be coded to capital and abortive costs of schemes.
Black Country Core Strategy	0	0	Walsall's share of the costs associated with the review of the Black Country Core Strategy
Shannon's Mill (commuted sum)	(3,000)	0	To cover the ongoing maintenance with a set proportion released each year.
Levelling Up Fund	(125,000)	0	Government funding to level up north/south divide to be used in 2022/23

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
Enforcement – one off investment	(100,000)	0	One-off funding carried forward for staffing costs due to delays in restructure.
Donations (ring fenced)	(10,739)	0	To cover costs linked with the donations received.
Enforcement income (ring fenced)	(62,122)	0	To cover costs relating to enforcement activity.
Resilient Communities	(120,000)	0	Used to fund tackling anti-social behaviour activity.
Queens Jubilee	(35,000)	0	Community activities to celebrate Queens Jubilee
Public Health	(181,016)		Public Health grant funding
Risk	(1,401,505)	0	Release of central risk provision for one off funding of proud benefits
Mediation reserve	(50,000)	0	To fund cost for unauthorised encampments activity.
Regulatory - purchase of IT	(25,882)	0	Released as part of the mitigating actions
Taxi driver training	(21,000)	0	Released as part of the mitigating actions
Clean & Green	(9,744)	0	One off costs in relation to charging for green waste and twin streaming consultation
Redundancy	(815,675)		Redundancy costs.
Pay reserve	(422,124)	0	To fund pressures as a result of the pay award
Total Economy, Environment & Communities	(10,036,538)	1,290,106	
Resources & Transformation			
IFRS	(41,197)	24,862	Primarily relates to grants carried forward in relation to the Black Country LEP that span more than 1 financial year.
Appointeeships – one off investment	(19,093)	0	Funding of agency to continue with the implementation of charging.
Apprenticeship income - external providers (ring-fenced)	0	91,520	Income from external training providers - under the rules of the Apprenticeship Levy to be spent on the individual as per training provider.
Delivery of Connected Gateway	(1,249,225)	0	To fund closure costs during delivery of Connected Gateway scheme and income shortfalls on Saddlers Centre.
Economic growth programme	(361,167)	14,046	To support costs within service to continue functions as per Cabinet report October 2020. Extended to 2023.
Corporate Landlord	(271,733)	0	Released as part of the mitigating actions
External partner contributions	(22,958)	0	Contributions to support Technical Assistance Programme.
Enterprise Zones	(766,106)	1,908,930	Generated from surplus business rates from across the Black Country to fund the costs of future capital schemes.

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
Growing Places Fund	(4,571)	0	Funding received to support the Growing Places LEP programme management costs.
Growing Places Fund – Underwriting	(120,000)	0	Ringfenced to LEP to support programme management costs and other revenue costs.
Growth Deal Programme	(29,385)	0	To fund any necessary staff costs linked to closure of programme.
Cost of Living - Energy	(1,857,418)	0	To fund the additional costs of energy
Improvement projects	(192,430)	0	To fund costs associated with One Source.
Youth Employment Initiative (YEI) Overheads	0	77,910	15% overhead costs claimed on YEI, this is used to support any ineligible costs.
Proud Resource Plan	(2,043,116)	0	To fund investment and resources to deliver Proud workstream activity.
Revenue Implications of Capital	0		To be used to fund unknown / increased revenue costs of capital schemes post budget being set.
Redundancy	(975,041)		Redundancy costs.
Pay reserve	(247,335)	0	To fund pressures as a result of the pay award
Total Resources and Transformation	(8,200,775)	2,117,268	
Capital Financing			
Borrowing re-scheduling	(8,132,000)	1,181,797	To fund borrowing re-scheduling costs dependent on market conditions and to manage risk / pressures for changes in interest rates and on-going impact of airport dividend shortfalls due to impact of changes in the business plan / Covid-19.
Minimum revenue provision (MRP)	(665,596)	0	To smooth minimum MRP costs as per approved MRP policy.
Pensions – upfront payment borrowing costs	(324,178)	0	To fund borrowing costs of funding pension payments upfront for 3 years to release savings.
CCLA reserve	0	1,000,000	Statutory override till end March 2025
Total Capital Financing	(9,121,774)	2,181,797	
Centrally Held			
Proud	(290,000)	2,000,000	Funding of one-off investment in relation to Proud programme.
Covid-19 – unringfenced funding	(274,000)	0	To fund one off Covid-19 related investment in 2022/23.
Audit and inspection	0	80,000	To cover costs relating to external inspections / audits, including: Internal audit contract contingency, fraud investigation and irregularity investigations. Support to PFI reviews and CQC inspection, Childrens Inspections

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
Brexit	0	72,439	Return of unused grant funding given to CA to fund costs associated with Brexit.
Buy not lease	0	226,286	To be used to purchase vehicles / equipment when the costs are calculated to be cheaper than leasing
Carbon management reduction	0	187,611	To fund carbon management projects / Carbon Action Plan
Irrecoverable losses income (collection fund)	(1,430,000)	0	Government grant used to fund collection fund losses arising from Covid-19.
Corporate Landlord	0	110,609	Cover costs which cannot be coded to capital, abortive costs of schemes, demolitions and redundant buildings
Enterprise Zones	0	142,355	Transfer of business rates income relating to the Enterprise Zone.
Redundancy	0	34,794	Redundancy costs.
Pay / Pensions	0	2,731,863	Transferred to smooth pension increases in future years.
Project reserve (windfall income)	0	28,721	Windfall income transferred to fund future projects.
Covid-19 - Expanded retail discount	(9,763,199)	0	Reliefs to be used in 2022/23 to fund reductions in NNDR income
Business rates retention scheme	(4,160,659)	2,309,419	To fund volatility of business rates income due to the pandemic and any appeals. Also to smooth future changes to the scheme.
Revenue implications of capital	0	1,045,640	To be used to fund unknown / increased revenue costs of capital schemes post budget being set
Risk	0	3,325,000	Risk on delivering approved proud benefits
Social Care Demand	(510,000)	3,170,552	Demand / uplift changes in social care
Mediation	(100,000)		To fund the cost of a complex legal case
Cost of Living	(445,852)	4,569,008	Planned replenishment of reserve to cover rising costs due to high inflation and used for mitigating actions to cover cost of living overspends in services.
Elections	0	217,155	To cover remaining costs of new system and budget pressures in 2023/24 not known when budget was set
Total Centrally Held	(16,973,710)	20,251,452	
TOTAL RESERVES UTILISED / TRANSFERRED IN YEAR	(62,007,345)	32,224,130	

Appendix 3 – Walsall Proud – Benefits 2022/23 with delayed delivery

Directorate / Area	Benefit	Original Full Benefit £	Value of benefit undelivered in year £	Value Mitigated In Year £	Reason	Mitigating Actions
Adult Social Care, Public Health & Hub						
Adult Social Care	Older People & Front Door – Existing Clients	4,540,550	519,388	138,943	Delivery plans being finalised	Part mitigated in 2022/23 by overachievement of other savings
Adult Social Care	Older People & Front Door – New Clients	2,318,301	1,300,830	0	Delivery plans being finalised	No mitigation identified
Adult Social Care	Review for learning disabilities joint funding tool	1,757,270	1,757,270	327,526	Ongoing negotiations with Health colleagues	Part mitigated in 2022/23 by use of reserve
Adult Social Care	Benefit maximisation project – 2021/22 cfwd	184,719	184,719	184,719	Delay in delivery due to future proofing of systems for reform and integration with other systems to take place	Full year effect of various 2021/22 benefits
Adult Social Care	Review of existing learning disabilities and mental health packages	1,452,494	90,915	0	Delay in delivery resulted in small element outstanding to be delivered in 2023/24	No mitigation identified
Adult Social Care	Efficiencies from the implementation of Bettercare Finance System	770,905	770,905	0	Delay in delivery due to future proofing of systems for reform and integration with other systems to take place	No mitigation identified
Adult Social Care	Staffing impact following the implementation of Bettercare Finance System	94,079	94,079	0	Delay in delivery due to future proofing of systems for reform and integration with other systems to take place	No mitigation identified
Adult Social Care	Paperless council meetings	9,276	9,276	9,276	Currently insufficient reduction to meet saving	Mitigated by underspends in supplies and services

Directorate	Benefit	Original Full Benefit	Value of benefit undelivered in year	Value Mitigated In Year	Reason	Mitigating Actions
		£	£	£		
Adult Social Care	Increased income from Print & Design service to external bodies	30,000	30,000	30,000	As yet have been unable to attract further external work. Review of future opportunities ongoing	Mitigated by underspends in supplies and services
Public Health	Review of existing public health transformation fund	300,000	300,000	300,000	Details of efficiency savings expected to be finalised by early 2023/24	One-off use of reserve in 2022/23
Total Adult Social Care, Public Health & Hub		11,457,594	5,057,382	990,464		
Economy, Environment & Communities						
Economy, Environment & Communities	Clean, Green & Leisure restructure and delivery model review	601,728	290,511	290,511	Changes not expected to be implemented until late 2023	Mitigation by general underspends within Clean and Green (largely waste disposal costs)
Economy, Environment & Communities	Premium bulky waste collection service (as per cabinet paper 15/12/2021).	15,000	15,000	15,000	Demand for bulky waste collections has declined since late 2021 hence income figure not met	General underspends within Clean and Green (largely waste disposal costs)
Economy, Environment & Communities	Offer residential gardening service	30,000	30,000	30,000	Business case has highlighted this benefit cannot be achieved	General underspends within Clean and Green (largely waste disposal costs)
Economy, Environment & Communities	Income generation from bookable gyms	30,000	30,000	30,000	Business case determined that this service was not feasible and is unlikely to be taken forward	New scheme in place (Oak Park virtual instructor). Service manager to monitor income received month by month
Economy, Environment & Communities	Heritage and culture / Arts and events - increase fees and charges	9,351	9,351	9,351	No increase in fees and charges for Arts and Events, Leather Museum and NAG	Mitigated by increased income in Arts & Events
Economy, Environment & Communities	Review of Libraries management	60,679	60,679	60,679	Delay in implementation, plan to take effect from April 2023	Underspends on current vacancies in Libraries service
Total Economy, Environment & Communities		746,758	435,541	435,541		

Directorate	Benefit	Original Full Benefit	Value of benefit undelivered in year	Value Mitigated In Year	Reason	Mitigating Actions
		£	£	£		
Resources & Transformation						
Resources & Transformation	Corporate Landlord - solar panels on our buildings	30,000	23,000	23,000	£23k deemed not achievable at this stage. To be fully implemented during 2023/24	Mitigated by underspends in supplies and services
Resources & Transformation	Finance - review of Enabling & Support Services	168,857	45,521	45,521	Part year effect of E&SS phase 1, remaining balance to be delivered in 2023/24	Mitigated in year by underspends within Corporate Landlord
Resources & Transformation	Legal - modernisation of an electronic enrolment and canvassing system	5,000	5,000	5,000	£5k deemed not achievable at this stage. To be fully implemented during 2023/24	Mitigated from overall directorate underspends in year
Resources & Transformation	Legal - efficiencies savings linked to review of Enabling Support Services	33,334	33,334	33,334	Service experiencing significant recruitment and retention issues. A review and plan is being worked on by budget holder to implement during 2023/24	Mitigated from overall directorate underspends in year
Resources & Transformation	Legal - efficiencies in relation to the purchase of law library books	10,000	10,000	10,000	£10k deemed not achievable at this stage. To be fully implemented during 2023/24	Mitigated from overall directorate underspends in year
Resources & Transformation	Governance - review of Enabling & Support Services	105,132	105,132	105,132	Service experiencing significant recruitment and retention issues. A review and plan is being worked on by budget holder to implement during 2023/24	Mitigated from overall directorate underspends in year
Resources & Transformation	DaTS programme management efficiencies	90,000	90,000	90,000	Review of reduction in the cost of project / programme management has begun but will not deliver saving in year. To be fully delivered in 2023/24	Mitigated in year by underspends in Transformation and Digital

Directorate	Benefit	Original Full Benefit £	Value of benefit undelivered in year £	Value Mitigated In Year £	Reason	Mitigating Actions
Resources & Transformation	DaTS – income from selling IT services to other councils and organisations - linked to review of Enabling Support Services	21,000	10,200	10,200	Shortfall in course income	Mitigated in year by underspends in Transformation and Digital
Total Resources & Transformation		463,323	322,187	322,187		
Children's, Education & Customer Engagement						
Children's Services	Foster carer support - placement disruption	1,554,022	1,104,754	100,000	Processes in place to reduce impact of placement sufficiency issues and rising placement costs, but full saving unachievable in 2022/23	Part mitigation from one off action plan within Children's services
Children's Services	Review of current establishment and reduction in the use of agency staff	747,820	634,406	350,000	Delay in recruitment of social workers needed to reduce spend on agency	Use of reserve one off in year to part offset delay in achievement of benefit
Total Children's, Education & Customer Engagement		2,301,842	1,739,160	450,000		
Total		14,969,517	7,554,270	2,198,192		

Appendix 4 – Pre-audit Capital Outturn by Scheme 2022/23 – council funded schemes

COUNCIL FUNDED SCHEMES	2022/23 Budget £	2022/23 Outturn £	Variance £	Carry forward to 2023/24 £	(Underspend) / Overspend £
ADULT SOCIAL CARE, PUBLIC HEALTH, AND HUB					
Mosaic Portal implementation	30,000.00	30,000.00	0.00	0.00	0.00
ADULT SOCIAL CARE, PUBLIC HEALTH, AND HUB COUNCIL FUNDED TOTAL	30,000.00	30,000.00	0.00	0.00	0.00
CHILDREN'S, EDUCATION AND CUSTOMER ENGAGEMENT					
School Capital Using Dedicated School Grant	2,712,321.12	2,712,321.12	0.00	0.00	0.00
School Temporary Classrooms	330,185.00	330,185.00	0.00	0.00	0.00
School Estate Condition Survey	246,672.00	245,000.17	(1,671.83)	0.00	(1,671.83)
Children in Care Out of Borough Placements	254,623.00	87,327.40	(167,295.60)	167,295.60	0.00
Childrens Services Locality Project	66,527.00	66,141.26	(385.74)	0.00	(385.74)
Redesign Of Children's Homes	1,070,785.00	939,530.20	(131,254.80)	131,254.80	0.00
Aids and Adaptations (Statutory Element)	797,312.00	657,475.11	(139,836.89)	139,836.89	0.00
Health Through Warmth and Related Retro Fit Schemes	148,178.00	46,472.45	(101,705.55)	101,705.55	0.00
Social Housing Decarbonisation	283,600.00	0.00	(283,600.00)	283,600.00	0.00
CCTV in Temporary accommodation	144,123.00	144,123.00	0.00	0.00	0.00
CHILDREN'S, EDUCATION AND CUSTOMER ENGAGEMENT COUNCIL FUNDED TOTAL	6,054,326.12	5,228,575.71	(825,750.41)	823,692.84	(2,057.57)
ECONOMY, ENVIRONMENT AND COMMUNITIES					
New Homes Bonus	76,999.00	0.00	(76,999.00)	76,999.00	0.00
Regenerating Walsall	223,206.00	0.00	(223,206.00)	223,206.00	0.00
Enterprise Zones	6,556,862.00	3,243,849.40	(3,313,012.60)	3,313,012.60	0.00
Future High Street Fund	1,415,852.00	0.00	(1,415,852.00)	1,415,852.00	0.00
Willenhall Masterplan	3,236,484.00	240,165.90	(2,996,318.10)	2,996,318.10	0.00
Open Water	2,125.00	2,125.00	0.00	0.00	0.00
St Peter Church Repairs to Surrounding Wall	32,784.00	0.00	(32,784.00)	32,784.00	0.00
Willenhall Memorial Park	3,076.00	225.00	(2,851.00)	2,851.00	0.00
Regional Materials Recycling Facility	5,775,199.00	5,499,675.06	(275,523.94)	275,523.94	0.00

COUNCIL FUNDED SCHEMES	2022/23 Budget £	2022/23 Outturn £	Variance £	Carry forward to 2023/24 £	(Underspend) / Overspend £
Middlemore Lane Household Waste Recycling Centre	10,304,303.00	181,620.17	(10,122,682.83)	10,122,682.83	0.00
Workshop Breakdown Vehicle	66,991.00	64,932.17	(2,058.83)	2,058.83	0.00
Allotment Boundary Improvement Works	260,000.00	125,348.88	(134,651.12)	134,651.12	0.00
Walsall Arboretum Extension	190,000.00	41,886.50	(148,113.50)	148,113.50	0.00
Barr Beacon Security & Infrastructure Works	40,395.00	0.00	(40,395.00)	40,395.00	0.00
Play Areas and Outdoor Gym Improvements	490,000.00	20,227.75	(469,772.25)	469,772.25	0.00
Capitalisation Of Wheeled Bin Stock	260,000.00	254,511.94	(5,488.06)	5,488.06	0.00
Headstone Safety in Cemeteries (Revenue contribution)	24,213.00	24,212.29	(0.71)	0.71	0.00
Replacement Cemeteries Administration System	75,000.00	31,500.00	(43,500.00)	43,500.00	0.00
Streetly Cemetery Extension	405,013.00	402,076.48	(2,936.52)	2,936.52	0.00
North Walsall Cemetery Flooding	104,850.00	102,591.33	(2,258.67)	2,258.67	0.00
Darlaston Pool Energy Efficiency	102,000.00	0.00	(102,000.00)	102,000.00	0.00
Community Dropped Crossings	20,000.00	11,828.04	(8,171.96)	8,171.96	0.00
Highways Maintenance	2,906,694.00	2,616,880.25	(289,813.75)	289,813.75	0.00
Yorks Bridge	750,000.00	6,353.14	(743,646.86)	743,646.86	0.00
Hatherton Road Car Park	211,456.00	0.00	(211,456.00)	211,456.00	0.00
Promotion of Community Health & Safety	130,925.00	15,068.02	(115,856.98)	115,856.98	0.00
Replacement of Obsolete Traffic Signal Control Equipment	212,531.00	212,530.61	(0.39)	0.39	0.00
Hatherton Road Multi-Storey Car Park Structural Maintenance	200,000.00	11,900.69	(188,099.31)	188,099.31	0.00
Darlaston Strategic Development Area (DSDA)	9,801.00	0.00	(9,801.00)	9,801.00	0.00
Walsall Town Centre Public Realm Improvements	362,081.00	0.00	(362,081.00)	362,081.00	0.00
Transit Site	62,719.00	62,557.35	(161.65)	0.00	(161.65)
Lighting Invest to Save	6,975,260.00	5,321,100.32	(1,654,159.68)	1,654,159.68	0.00
Single Library Management System	39,757.00	33,439.54	(6,317.46)	6,317.46	0.00
Darlaston Library Integration	60,586.00	0.00	(60,586.00)	60,586.00	0.00
Replacement Pc's	34,000.00	0.00	(34,000.00)	34,000.00	0.00
Radio Frequency Identification (RFID) - Libraries self-issue	93,000.00	0.00	(93,000.00)	93,000.00	0.00

COUNCIL FUNDED SCHEMES	2022/23 Budget £	2022/23 Outturn £	Variance £	Carry forward to 2023/24 £	(Underspend) / Overspend £
Gym Equipment Replacement	480,000.00	480,000.00	0.00	0.00	0.00
Cremator No 1 Repairs (Reline)	45,850.00	45,850.00	0.00	0.00	0.00
Nottingham Drive Car Park	235,360.00	173,234.88	(62,125.12)	62,125.12	0.00
CCTV	135,000.00	106,385.13	(28,614.87)	28,614.87	0.00
Resurfacing Of Church Road Car Park (Revenue contribution)	42,647.00	42,646.07	(0.93)	0.93	0.00
ECONOMY, ENVIRONMENT & COMMUNITIES COUNCIL FUNDED TOTAL	42,653,019.00	19,374,721.91	(23,278,297.09)	23,278,135.44	(161.65)
RESOURCES AND TRANSFORMATION					
Bloxwich Town Deal	1,025,000.00	0.00	(1,025,000.00)	1,025,000.00	0.00
Walsall Town Deal	999,080.00	0.00	(999,080.00)	999,080.00	0.00
Procurement System for Human Resources Management and Oracle Financial Systems	217,242.00	124,323.58	(92,918.42)	92,918.42	0.00
Oracle Financial System Archive	139,276.00	104,401.25	(34,874.75)	34,874.75	0.00
Asbestos Removal	37,532.00	37,532.00	0.00	0.00	0.00
Planned Property Maintenance	90,619.00	90,618.53	(0.47)	0.47	0.00
Safe Water Supplies	90,770.00	90,769.73	(0.27)	0.27	0.00
Statutory Testing	315,691.00	315,691.00	0.00	0.00	0.00
Civic Centre Heating	1,146,646.00	318.37	(1,146,327.63)	1,146,327.63	0.00
Council House Smoke and Heat Detection Fire Alarm	326,920.00	0.00	(326,920.00)	326,920.00	0.00
Council House General Heating	2,173,560.00	0.00	(2,173,560.00)	2,173,560.00	0.00
Operation Repair and Maintenance of Council Buildings	314,944.00	80,371.86	(234,572.14)	234,572.14	0.00
Fire Risk Assessment	384,327.00	384,327.00	0.00	0.00	0.00
Schools Project	42,542.00	27,531.10	(15,010.90)	15,010.90	0.00
Walsall Council House - Modern Secure Reception	26,228.00	920.00	(25,308.00)	25,308.00	0.00
Council House Internal Decoration	30,218.00	0.00	(30,218.00)	30,218.00	0.00
Willenhall Lane Travellers Site Pumping Station	24,686.00	0.00	(24,686.00)	24,686.00	0.00
Security Arrangements for Corporate Buildings	119,050.00	86,003.00	(33,047.00)	33,047.00	0.00
Civic Centre Plumbing	66,600.00	0.00	(66,600.00)	66,600.00	0.00
Council House Windows	1,307,025.00	16,266.25	(1,290,758.75)	1,290,758.75	0.00

COUNCIL FUNDED SCHEMES	2022/23 Budget £	2022/23 Outturn £	Variance £	Carry forward to 2023/24 £	(Underspend) / Overspend £
Council House Roof Repairs	1,500,000.00	8,000.00	(1,492,000.00)	1,492,000.00	0.00
Computer Aided Facilities Management System	350,000.00	0.00	(350,000.00)	350,000.00	0.00
Rushall Olympic Football Club	5,833.00	0.00	(5,833.00)	5,833.00	0.00
Saddlers Centre Shopping Centre	726,253.00	726,252.80	(0.20)	0.20	0.00
Challenge Block	33,214.00	0.00	(33,214.00)	33,214.00	0.00
Town Centre Strategic Acquisition for Third Sector Hub and Operational Accommodation	116,708.00	116,707.75	(0.25)	0.25	0.00
Council Chamber Refurbishment	211,892.00	191,182.50	(20,709.50)	20,709.50	0.00
MYCMIS Asset Management tracking system	15,796.00	0.00	(15,796.00)	15,796.00	0.00
Webcasting and Hybrid Council Meetings	20,000.00	0.00	(20,000.00)	20,000.00	0.00
Essential Microsoft Upgrades & Foundation for Office 365	41,621.00	41,621.00	0.00	0.00	0.00
ICT – Safe and Secure Environment	4,626,963.00	2,019,131.68	(2,607,831.32)	2,607,831.32	0.00
Resource & Consultancy to Upgrade Win2008 Server	530.00	193.86	(336.14)	336.14	0.00
Proud - ICT	102,992.00	0.00	(102,992.00)	102,992.00	0.00
Enabling Technology	8,375,483.00	3,677,971.80	(4,697,511.20)	4,697,511.20	0.00
Maintaining a Safe and Secure Environment	220,564.00	91,340.58	(129,223.42)	129,223.42	0.00
Telephony Cloud Based System	341,467.00	7,196.00	(334,271.00)	334,271.00	0.00
Proud Card Payments Digital Website	742,836.00	617,404.60	(125,431.40)	125,431.40	0.00
Smartphones	324,342.00	44,469.41	(279,872.59)	279,872.59	0.00
Ways of Working - Refurbishment investment in Civic/Council House	97,200.00	97,194.22	(5.78)	5.78	0.00
Beyond system - Enabling Support Services/One Source system	116,000.00	115,173.00	(827.00)	827.00	0.00
RESOURCES AND TRANSFORMATION COUNCIL FUNDED	26,847,650.00	9,112,912.87	(17,734,737.13)	17,734,737.13	0.00
CENTRALLY HELD					
Equity Investment	15,012,020.00	0.00	(15,012,020.00)	15,012,020.00	0.00
Capital Investment Earmarked Reserve (including Flexible Use of Capital Receipts, Health and Safety Schemes)	4,468,159.00	0.00	(4,468,159.00)	4,468,159.00	0.00
Capital Contingency (underspend from M6 Junction 10 scheme)	590,000.00	0.00	(590,000.00)	590,000.00	0.00
CENTRALLY HELD COUNCIL FUNDED	20,070,179.00	0.00	(20,070,179.00)	20,070,179.00	0.00
TOTAL COUNCIL FUNDED SCHEMES	95,655,174.12	33,746,210.49	(61,908,963.63)	61,906,744.41	(2,219.22)

Appendix 5 – Pre-audit Capital Outturn by Scheme 2022/23 – externally funded schemes

EXTERNAL FUNDED SCHEMES	2022/23 Budget £	2022/23 Outturn £	Variance £	Carry forward to 2023/24 £	(Underspend) / Overspend £
ADULT SOCIAL CARE, PUBLIC HEALTH, AND HUB					
Integrated Community Equipment	888,000.00	888,000.00	0.00	0.00	0.00
ADULT SOCIAL CARE, PUBLIC HEALTH, AND HUB EXTERNALLY FUNDED TOTAL	888,000.00	888,000.00	0.00	0.00	0.00
CHILDREN'S, EDUCATION AND CUSTOMER ENGAGEMENT					
Academies	346,130.00	0.00	(346,130.00)	346,130.00	0.00
Basic Need	22,190,218.00	2,258,340.58	(19,931,877.42)	19,931,877.42	0.00
Capital Maintenance	6,407,238.00	3,670,104.95	(2,737,133.05)	2,737,133.05	0.00
Devolved Formula Capital	2,942,967.00	853,830.30	(2,089,136.70)	2,089,136.70	0.00
School Nursery Capital Funding	198,310.00	198,310.00	0.00	0.00	0.00
High Needs Provision Capital Allocation	6,034,060.00	177,029.55	(5,857,030.45)	5,857,030.45	0.00
Purchase of Dispersed Temporary Accommodation	1,538,915.00	150,245.19	(1,388,669.81)	1,388,669.81	0.00
Warm Homes	394,239.00	394,223.85	(15.15)	15.15	0.00
Disabled Facilities Grant	3,314,771.00	3,314,771.00	0.00	0.00	0.00
Off Gas Scheme	134,025.00	38,733.65	(95,291.35)	95,291.35	0.00
Contributions for Health Through Warmth	9,126.00	9,126.00	0.00	0.00	0.00
Local Authority Delivery Scheme and Home Upgrade Grant	8,394,071.00	4,128,594.94	(4,265,476.06)	4,265,476.06	0.00
Midland Energy Hub - Local Authority Delivery Scheme and Home Upgrade Grant	3,749,069.00	2,274,515.86	(1,474,553.14)	1,474,553.14	0.00
Social Housing Decarbonisation	607,200.00	0.00	(607,200.00)	607,200.00	0.00
Social Housing Decarbonisation – Walsall Alliance of Tennant Management Organisations	7,923,614.00	5,563,187.23	(2,360,426.77)	2,360,426.77	0.00
Family Hub Life Programme	56,750.00	56,750.00	0.00	0.00	0.00
CHILDREN'S, EDUCATION AND CUSTOMER ENGAGEMENT EXTERNALLY FUNDED TOTAL	64,240,703.00	23,087,763.10	(41,152,939.90)	41,152,939.90	0.00
ECONOMY, ENVIRONMENT AND COMMUNITIES					
Future High Street Fund	1,139,015.00	1,067,716.95	(71,298.05)	71,298.05	0.00
Phoenix 10 Homes England	7,412,444.00	7,412,443.99	(0.01)	0.01	0.00
Fibbersley Local Nature Reserve	828.00	0.00	(828.00)	828.00	0.00

EXTERNAL FUNDED SCHEMES	2022/23 Budget £	2022/23 Outturn £	Variance £	Carry forward to 2023/24 £	(Underspend) / Overspend £
Black Country Blue Network – European Regional Development Fund	53,990.00	17,023.65	(36,966.35)	36,966.35	0.00
Black Country Blue Network – Section 106	20,720.00	2,401.88	(18,318.12)	18,318.12	0.00
Barr Beacon Security and Infrastructure Works	61,000.00	0.00	(61,000.00)	61,000.00	0.00
Nature Recovery in Partnership with Canal and River Trust	210,500.00	138,011.47	(72,488.53)	72,488.53	0.00
Nature Recovery in Partnership with Canal and River Trust – Section 106	14,200.00	0.00	(14,200.00)	14,200.00	0.00
Darlaston Pool Energy Efficiency	2,600,727.00	2,600,727.00	0.00	0.00	0.00
Additional Highway Maintenance Pothole Funding	1,598,172.00	1,598,172.00	0.00	0.00	0.00
Local Transport Plan including Bridge Strengthening 2010/11	392,357.00	392,357.00	0.00	0.00	0.00
Local Transport Plan – Yorks Bridge	700,000.00	242,604.51	(457,395.49)	457,395.49	0.00
Capital Block Department for Transport Fund	1,732,026.00	1,732,026.00	0.00	0.00	0.00
M6 Junction 10 Highway Improvements	2,232,523.00	1,404,459.34	(828,063.66)	828,063.66	0.00
Zebra Crossing	4,774.00	0.00	(4,774.00)	4,774.00	0.00
West Midlands Strategic Transport Plan (STP) 'Movement For Growth'	2,896,068.00	1,925,302.93	(970,765.07)	970,765.07	0.00
Active Travel (Tranche 2)	5,525.00	5,525.00	0.00	0.00	0.00
Flood Alleviation Bloxwich Road Community Walls/Gates	138,437.00	85,386.13	(53,050.87)	53,050.87	0.00
National Cycle Network Route - Veolia Trust	2,698.00	2,698.00	0.00	0.00	0.00
Better Streets	8,884.00	0.00	(8,884.00)	8,884.00	0.00
Wolverhampton Street Section 106	73,875.00	0.00	(73,875.00)	73,875.00	0.00
Electric Vehicle Charging Point Installation	254,040.00	0.00	(254,040.00)	254,040.00	0.00
National Cycle Network Route - Canal and River Trust	6,834.00	1,566.72	(5,267.28)	5,267.28	0.00
Wednesbury Road (Footbridge)	140,000.00	131,925.04	(8,074.96)	8,074.96	0.00
Construction of Wall and Footpath Hollyhedge Close	79,608.00	77,555.56	(2,052.44)	2,052.44	0.00
Limestone Surveys	117,429.00	10,928.28	(106,500.72)	106,500.72	0.00
Highways CCTV (Upgrade)	276,845.00	186,702.01	(90,142.99)	90,142.99	0.00
Urban Tree Challenge	117,745.00	117,334.47	(410.53)	410.53	0.00
ECONOMY, ENVIRONMENT & COMMUNITIES EXTERNALLY FUNDED TOTAL	22,291,264.00	19,152,867.93	(3,138,396.07)	3,138,396.07	0.00

EXTERNAL FUNDED SCHEMES	2022/23 Budget £	2022/23 Outturn £	Variance £	Carry forward to 2023/24 £	(Underspend) / Overspend £
RESOURCES AND TRANSFORMATION					
Bloxwich Town Deal	1,301,788.00	1,292,639.55	(9,148.45)	9,148.45	0.00
Walsall Town Deal	9,379,763.00	3,664,542.56	(5,715,220.44)	5,715,220.44	0.00
Growth Deal	42.00	0.00	(42.00)	42.00	0.00
Land and Property Investment Fund	36,353,876.00	11,123,194.03	(25,230,681.97)	25,230,681.97	0.00
Getting Building Fund	1,626,335.00	1,626,335.00	0.00	0.00	0.00
Black Country Local Enterprise Partnership Reinvestment Digital Fund	945.00	0.00	(945.00)	945.00	0.00
Growing Places Fund	2,698,068.00	729,023.82	(1,969,044.18)	1,969,044.18	0.00
Changing Places (Toilets)	74,750.00	4,988.12	(69,761.88)	69,761.88	0.00
UK Shared Prosperity Fund	100,000.00	100,000.00	0.00	0.00	0.00
A41 Moxley Transforming Cities Fund	27,000.00	27,000.00	0.00	0.00	0.00
RESOURCES AND TRANSFORMATION EXTERNALLY FUNDED TOTAL	51,562,567.00	18,567,723.08	(32,994,843.92)	32,994,843.92	0.00
TOTAL EXTERNALLY FUNDED SCHEMES	138,982,534.00	61,696,354.11	(77,286,179.89)	77,286,179.89	0.00

Appendix 6 – Performance data relating to demand within Children’s Services and Adults Social Care

1. Children in Care (CiC) Demand Overview

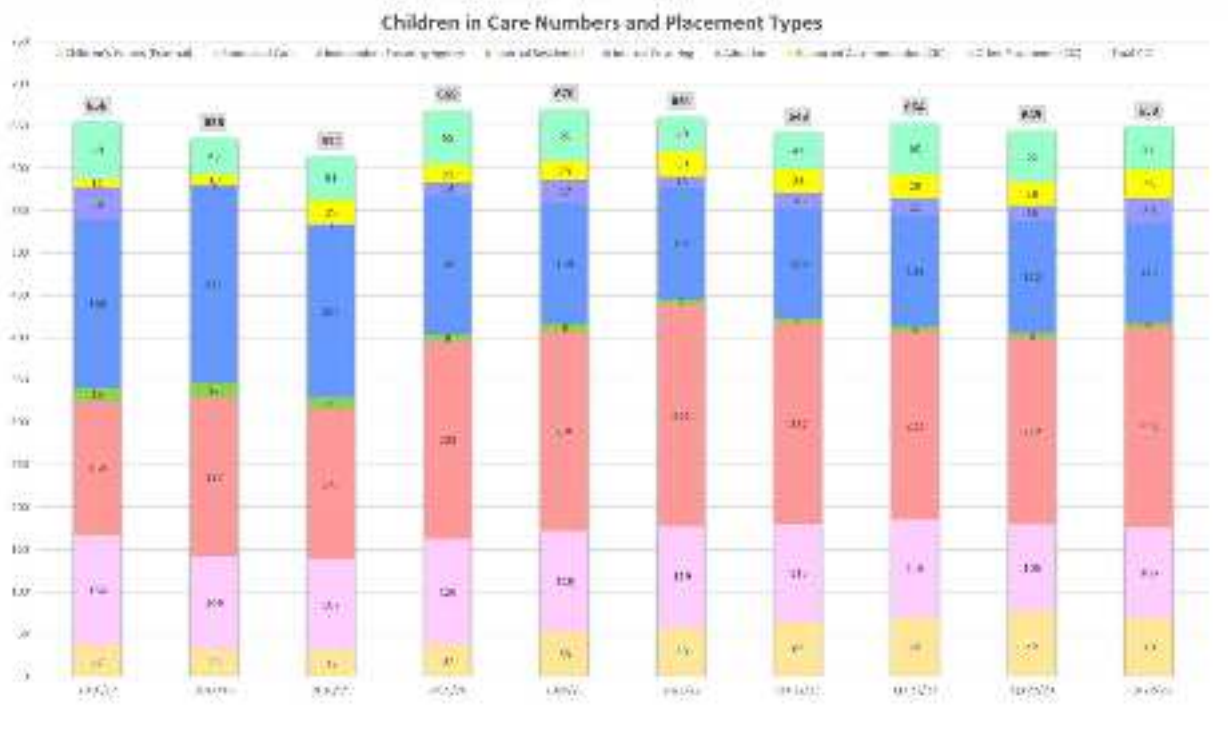
Local Authorities in England have a statutory responsibility for protecting the welfare of Children and delivering Children’s Social Care. In more serious situations Local Authorities may use their statutory powers to place children and young people in need on child protection plans or even take them into the care of the Local Authority.

Despite a challenging year due to placement sufficiency, Walsall’s Social Care demand led pressures are in-line with the national picture and although costs continue to increase, extensive work has been undertaken to effectively manage demand.

This financial year the service has experienced on-going pressures surrounding placement sufficiency, which has been further compromised by changes in legislation. The new legislation, which came into force in September 2021 states that no child under the age of 16 should reside in a placement that is not Ofsted registered. This has resulted in several unregulated/unregistered placement providers exiting the market, which has subsequently reduced supply, heightened demand and the related costs. This has been compounded by a lack of sufficiency of foster placements locally and nationally.

Despite the heightened demand and subsequent costs, the overall number of children entering care has reduced. This is due to extensive work undertaken to proactively manage the welfare of children within their family. As at March 2023, there were 650 CiC compared to 661 at the end of 2021/22 and 670 at the end of 2020/21. Table 1 below shows the mix of CiC as at March 2023.

Table 1 - Mix of Children in Care 2016/17 to 2022/23



Despite the overall number of children in care and net inflow/outflow of Children & Young People in Walsall decreasing and beginning to stabilise through the implementation of the services transformation plans, the overall costs relating to children in care have increased due to the following reasons:

- On-going nationwide pressures surrounding placement sufficiency, which creates a reliance on higher cost placements, predominately external residential placements which have increased from 53 in 2020/21 to 70 in March 2023. In comparison internal fostering placements have decreased from 143 in 2020/21 to 117 in March 2023.
- The introduction of new legislation in September 2021, removing the use of non-Ofsted registered placements for those under the age of 16;
- An increasing number of complex children, together with a higher proportion of children in care over the age of 15, and subsequent increasing placement costs;
- On-going increases to average weekly placement costs, which has significantly impacted external residential with the average weekly cost rising from £3.8k to £5.7k over the last 4 financial years, and the average cost of a new external residential placement in 22/23 increasing to between £5.7k and £6.5k when reviewing solely the external residential placements commissioned within 22/23. Table 2 and 3 below demonstrate these increases.

Table 2 - Average weekly cost for all current external residential placements

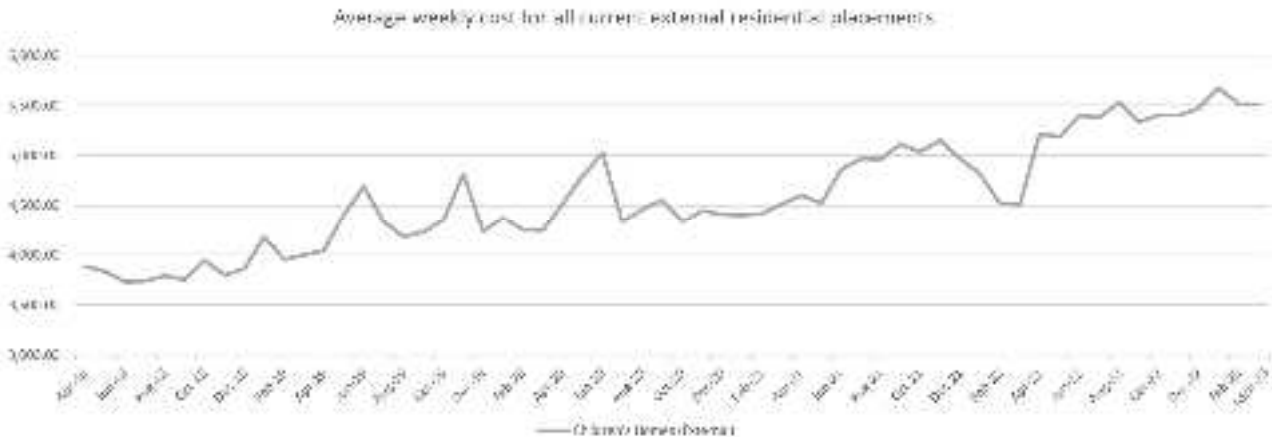
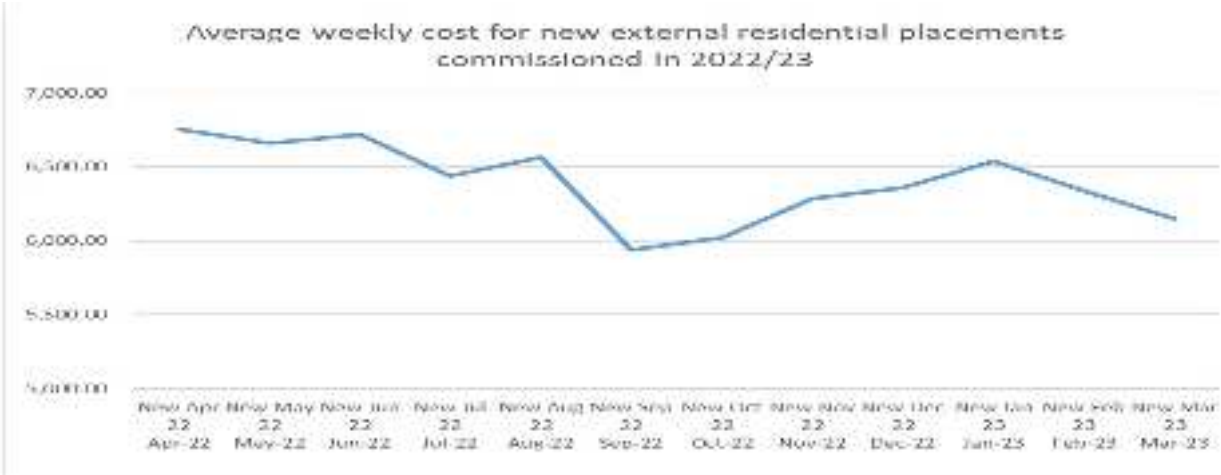


Table 3 - Average weekly cost for new external residential placements placed in 2022/23 (inflow)



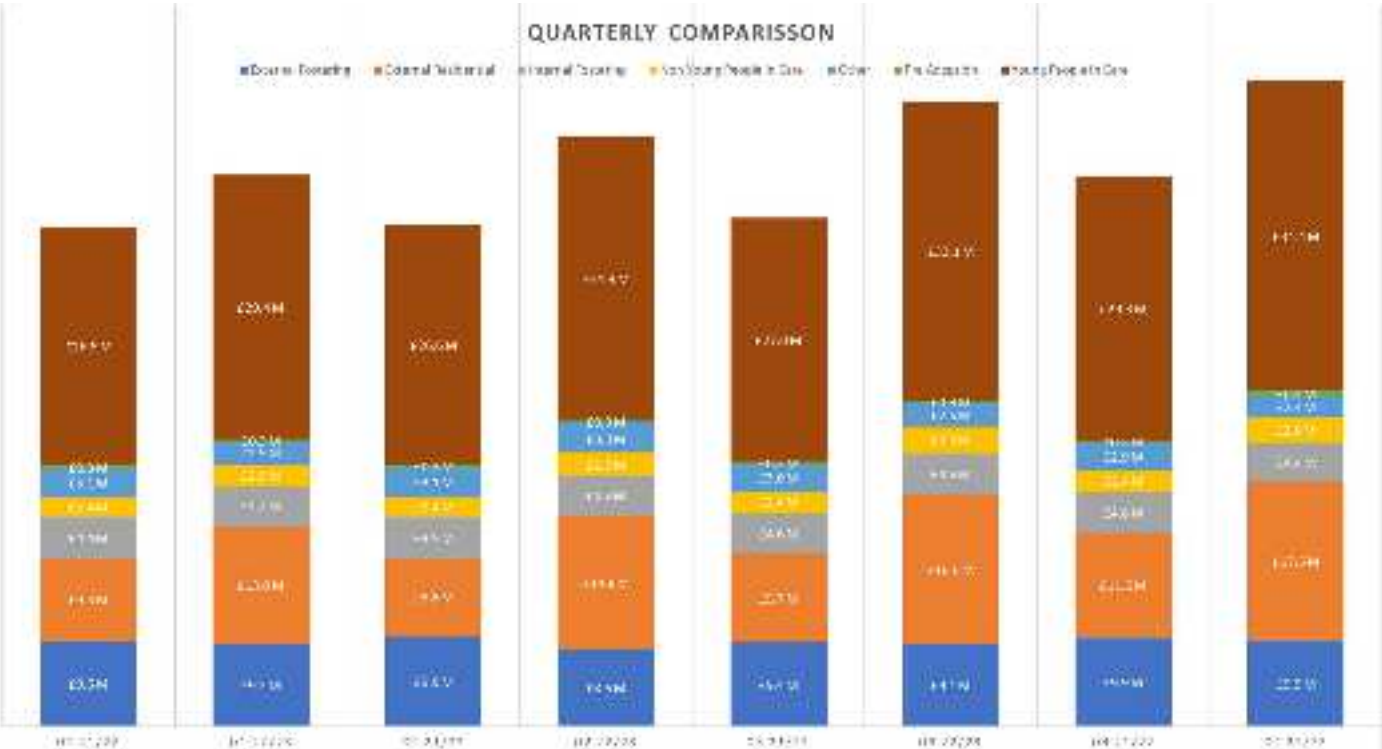
In addition, Table 4 demonstrates how the on-going placement sufficiency issues and increasing number of complex cases has changed Walsall's reliance on higher cost external residential placements with 43% of placements now over £5k per week, an increase from 28% in 2021/22, and 30 placements costing on average £7k per week.

Table 4 – External Residential Weekly Costs

Average Weekly Cost	19/20			20/21			21/22			22/23		
Under £4k	18	49%	3495	21	40%	3535	15	25%	3405	14	20%	3369
£4k - £5k	13	35%	4509	19	37%	4605	29	48%	4640	26	37%	4678
Over £5k	6	16%	5914	12	23%	5953	17	28%	6387	30	43%	7017
	37			52			61			70		5021

Table 5 below shows how the proportion of spend for each placement type across CiC demand services has changed in in 2022/23 due to all of the above reasons. The key movement is the spend on external residential services which has increased from £11.6m in March 2022 to £17.6m in March 2023.

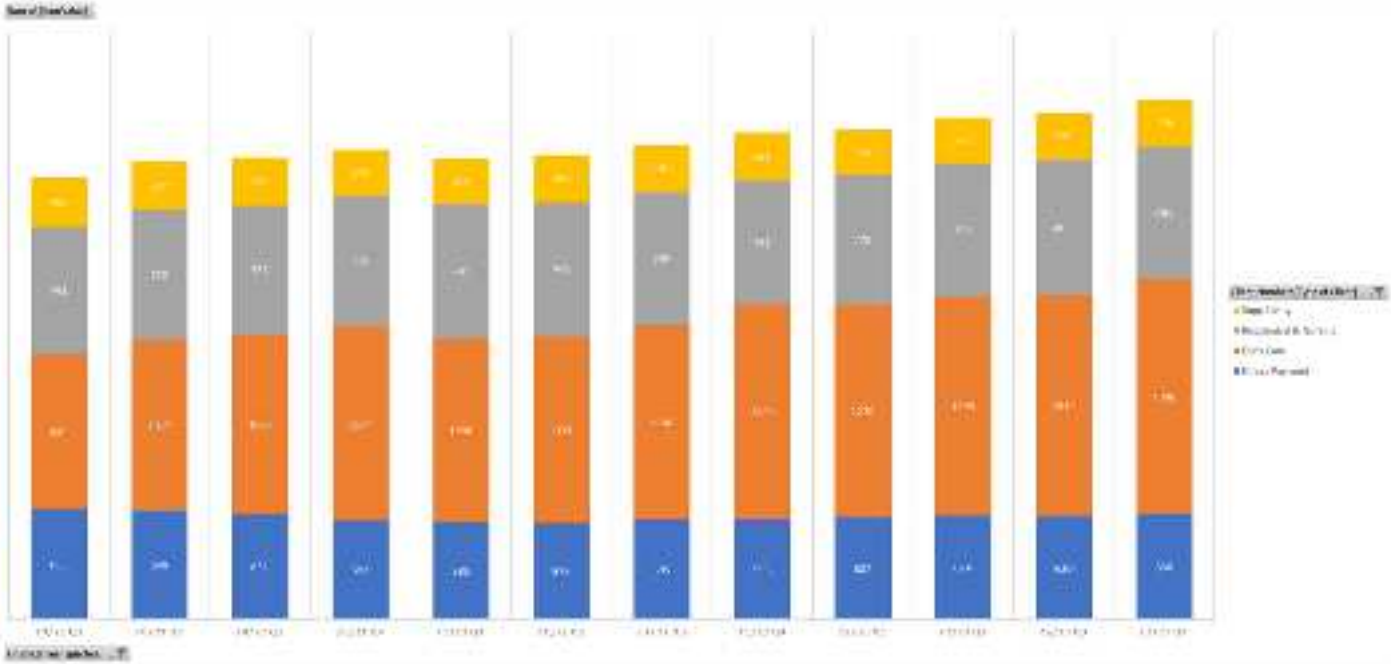
Table 5 – CiC Demand Services Spend by placement type 2021/22 & 2022/23



2. Adult Social Care

The graph below shows the client numbers within Adult Social Care (ASC) for each of the main care types at the end of each quarter over the last 3 financial years.

Table 6 – Adult social Care client numbers



- From Q1 20/21 total numbers have increased from 2631 to 3095 in Q4 22/23, an increase of 464.
- Domiciliary care has increased from 924 as at Q1 20/21 to 1396 as at Q4 22/23, an increase of 472.
- Residential and Nursing has from 761 as at Q1 20/21 to 791 as at Q4 22/23, an increase of 30.

In the last 3 years, due to demographic pressures the number of people needing care entering the ASC system has increased. Also due to an increase in people with more complex needs the average package cost has increased. The investment received over the past 3 years totals £12.9m (£2.3m in 21/22 & £10.6m in 22/23), an average of £4.3m per year.

As a result of the continued increase in demand during 2022/23, this resulted in an overspend of £4.13m. This overspend was derived from an increase in client numbers of 197 and an increase in average client package costs of £2,525 for domiciliary care, £2,380 for residential & nursing and £4,906 for supported living packages from March 2022 to March 2023. Graphical presentation showing the data split by care type and price is to be reported from period 3 of the new financial year aligned to the integration of the Beyond system.

Appendix 7 - Financial Health Indicators 2022/23

Treasury Management	2021/22 Actual	2022/23 Target	2022/23 Actual
Average Interest Rate (Borrowing)			
- Excluding other local authorities	3.59%	3.52%	3.82%
- Including other local authorities	3.65%	3.62%	3.87%
Gearing Effect on Capital Financing Estimates	3.69%	5.00%	3.81%
Net Borrowing Costs / Council Tax Requirement and NNDR contribution	4.60%	12.50%	7.21%
Capital Financing Requirement (£m)	374.50	411.85	390.19
Authorised limit for external Debt (£m)	498.30	474.38	474.38
Investment Rate Average (excl Property fund)	0.38%	0.48%	1.81%

Balance Sheet Ratios	2018/19	2019/20	2020/21	2021/22	2022/23 (draft)
Current Assets: Current Liabilities	1.68	2.39	2.01	1.96	1.74
Useable Reserves: General Revenue Expenditure	0.72	0.73	1.02	1.07	0.77
Long Term Borrowing: Tax Revenue (Using both council tax and NNDR for tax revenue)	1.36	1.43	1.83	1.49	1.19
Long Term Assets: Long Term Borrowing	2.05	1.86	1.83	2.14	2.73
Total School Reserves: Dedicated School Grant	0.06	0.05	0.08	0.08	0.06

Revenues Performance % collected for financial year	2020/21 Actual Collected in total as at 31.03.23	2021/22 Actual Collected in total as at 31.03.23	2022/23	
			Profiled 2022/23	Actual 2022/23
Council tax %	96.7%	95.1%	92.5%	92.3%
Total Council Tax collected	£136,186,361	£145,747,420	£147,350,000	£147,063,216
National Non Domestic Rate (NNDR) %	96.6%	97.4%	97.0%	99.0%
Total NNDR collected	£45,995,126	£60,214,918	£70,530,000	£72,010,789

Debtors and Creditors Performance	2021/22 Actual	2022/23	
		Target	Actual
Sundry Debtors Collection – Average number of days to collect debt	24 days	24	25
Average number of days to process creditor payments*	8 days	8 days	6.5 days

Management of Resources	2022/23		
Service Analysis	Target	Actual	Variance
Adult Social Care, Public Health and Hub	68,746,416	73,746,671	5,000,255
Children's, Education & Customer Engagement			
- Children's and Education	81,911,515	91,219,606	9,308,091
- Customer Engagement	18,295,852	17,176,773	(1,119,079)
Economy and Environment	59,961,295	56,599,832	(3,361,463)
Resources and Transformation	31,681,780	30,302,297	(1,379,483)
Capital Financing	(14,636,398)	(20,935,898)	(6,299,500)
Central budgets	(107,535,211)	(110,036,285)	(2,501,074)
Total Net Revenue Expenditure	138,425,249	138,072,997	(352,253)
General Reserves	N/A	18,702,473	N/A
Council Funded Capital Expenditure	95,655,174	33,746,210	(61,908,964)
External Funded Capital Expenditure	138,982,534	61,696,354	(77,286,180)
Total Capital Expenditure	234,637,708	95,442,564	(139,195,144)
Capital Receipts	2,500,000	2,174,164	(325,836)

Management of Resources	2021/22		
Service Analysis	Target	Actual	Variance
Adult Social Care, Public Health and Hub	58,901,217	63,395,662	4,494,445
Children's, Education & Customer Engagement			
- Children's and Education	84,628,552	84,624,168	(4,384)
- Customer Engagement	6,536,609	4,964,171	(1,572,438)
Economy and Environment	53,387,831	52,440,726	(947,105)
Resources and Transformation	31,749,808	30,703,885	(1,045,923)
Capital Financing	(5,250,831)	(6,450,832)	(1,200,001)
Central budgets	(97,407,405)	(98,626,583)	(1,219,178)
Total Net Revenue Expenditure	132,545,781	131,051,197	(1,494,584)
General Reserves	N/A	19,188,169	N/A
Council Funded Capital Expenditure	98,316,953	20,502,335	(77,814,618)
External Funded Capital Expenditure	137,537,257	57,883,260	(79,653,997)
Total Capital Expenditure	235,854,210	78,385,595	(157,468,615)
Capital Receipts	4,231,584	3,978,763	(252,821)

What this tells us

Treasury Management	
Average Interest Rate (Borrowing)	The average interest rate we are paying on the money we have borrowed compared to our target.
Gearing Effect on Capital Financing Estimates	Shows how a 1% increase in interest rates would affect the total interest cost to the council.
Net Borrowing Costs / Tax Requirement	Borrowing not financed by a grant from government, as a proportion of our Net Revenue Expenditure
Capital Financing Requirement (£m)	How much money we currently borrow to finance our capital programme.
Authorised limit for external Debt (£m)	The maximum amount of debt we should have at any one time
Investment Rate Average	The average interest rate we are receiving on the money we have invested.

Balance Sheet Ratios	
Current Assets: Current Liabilities	Our ability to meet our liabilities
Useable Reserves: General Revenue Expenditure	If our reserves are adequate to meet potential future variations.
Long Term Borrowing: Tax Revenue Using only council tax for tax revenue Using both council tax and NNDR for tax revenue	The effect of long term borrowing on our budget.
Long Term Borrowing: Long Term Assets	This allows us to understand the relationship between the money we borrow and the assets we have as they both change over time.
Total School Reserves: Dedicated School Grant	If school's reserves are at an appropriate level.

Revenues Performance	
% Collected for Financial Year	
Council Tax (%)	As a percentage the amount of council tax we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that its related to, but this won't be included in this figure
National Non Domestic Rate (%)	As a percentage the amount of Business rates we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it related to.
Total Council Tax Collected (£m)	This tells us the amount of council tax we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it relates to, but this won't be included in this figure.
Total NNDR Collected (£m)	This tells us the amount of Business Rates we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it relates to, but this won't be included in this figure.
Sundry Debtors Collection Average number of days to collect debt	How long on average it takes us to collect money owed to us.
Average number of days to process creditors payments	How long on average it takes to pay our bills.

Management of Resources	
Service Analysis	
Children's Services Economy and Environment Adult Social Care Resources and Transformation Council Wide	Shows our forecast for how much we will spend on these services compared to what we planned and compared to how much we spent in the previous year.
General Reserves	Our forecast year end position on reserves against our opening balance.
Contingency	How much we have set aside and for unplanned expenditure, and how much we have left to spend.
Capital Expenditure	Forecast of our spend on capital programmes against our target
Capital Receipts	Forecast of how much money we expect to receive from selling some of our assets, against our target.