

# Cabinet

**Wednesday 8 February 2023 at 6:00 p.m.**

Meeting venue: Conference Room 2, Council House, Lichfield Street, Walsall.

Livestream <http://www.WalsallCouncilWebcasts.com>

## Portfolios

Councillor M.A. Bird,  
Leader of the Council



Councillor G. Perry,  
Deputy Leader  
Resilient Communities



Councillor A. Andrew  
Deputy Leader and  
Regeneration



Councillor Ken  
Ferguson  
Internal Services



Councillor K. Pedley  
Adult Social Care



Councillor Gary Flint  
Health and Wellbeing



Councillor S. Elson  
Children's



Councillor M. Statham  
Education and Skills



Councillor K. Murphy  
Clean and Green



Councillor Gaz Ali  
Customer



**Quorum** 3 members

Democratic Services, The Council House, Walsall, WS1 1TW

Contact name: **Craig Goodall** ☎ (01922) 65 ☒ [craig.goodall@walsall.gov.uk](mailto:craig.goodall@walsall.gov.uk)

## The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

### Specified pecuniary interests

The pecuniary interests which are specified for the purposes of Chapter 7 of Part 1 of the Localism Act 2011 are the interests specified in the second column of the following:

| Subject   | Prescribed description   |
|---|--|
| Employment, office, trade, profession or vocation | Any employment, office, trade, profession or vocation carried on for profit or gain.   |
| Sponsorship                                       | <p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by a member in carrying out duties as a member, or towards the election expenses of a member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Regulations (Consolidation) Act 1992.</p>  |
| Contracts   | <p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority:</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>  |
| Land  | Any beneficial interest in land which is within the area of the relevant authority.  |
| Licences  | Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.   |
| Corporate tenancies                               | <p>Any tenancy where (to a member's knowledge):</p> <p>(a) the landlord is the relevant authority;</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>   |
| Securities  | <p>Any beneficial interest in securities of a body where:</p> <p>(a) that body (to a member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either:</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p> |

**Schedule 12A to the Local Government Act, 1972 (as amended)**

**Access to information: Exempt information**

**Part 1**

**Descriptions of exempt information: England**

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes:
  - (a) to give any enactment a notice under or by virtue of which requirements are imposed on a person; or
  - (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
8. Information being disclosed during a meeting of a Scrutiny and Performance Panel when considering flood risk management functions which:
  - (a) Constitutes a trades secret;
  - (b) Its disclosure would, or would be likely to, prejudice the commercial interests of any person (including the risk management authority);
  - (c) It was obtained by a risk management authority from any other person and its disclosure to the public by the risk management authority would constitute a breach of confidence actionable by that other person.

## Part I – Public session

1. Apologies
2. Minutes - 14 December 2022
3. Declarations of interest
4. **Local Government (Access to Information) Act, 1985 (as amended):**

To agree that the public be excluded from the private session during consideration of the agenda items indicated for the reasons shown on the agenda.

5. **Petitions.**

(Note: For advice on how to submit petitions, contact Democratic Services. Contact details on the front page of the agenda).

6. **Questions**

(30 minutes will be allowed for pre-submitted questions from non-executive members and the public. All questions will have been submitted at least 7 clear days before the meeting. Answers will be provided at the meeting - no supplementary questions will be allowed.)

7. Forward plan **Enclosed**

### Leader of the Council: Councillor Bird

#### Key Decisions

8. Corporate Budget Plan 2023/24 – 2026/27, incorporating the Capital Strategy and the Treasury Management and investment Strategy 2023/24 **Enclosed**
9. Payments System Contract Award **Enclosed**

#### Non-key Decisions

10. Corporate Financial Performance 2022/23 **Enclosed**
11. Council Plan Markers of Success Q2 2022/23 **Enclosed**

### Deputy Leader and Regeneration: Councillor Andrew

#### Key Decisions

12. Derelict Sites Intervention **Enclosed**

#### Non-key decisions

13. Private Hire Vehicles in Bus Lanes **Enclosed**

## **Deputy Leader and Resilient Communities: Councillor Perry**

### **Key Decisions**

14. We Are Walsall 2040 Strategy Consultation **Enclosed**

## **Portfolio Holder for Customer: Councillor Ali**

### **Key Decisions**

15. Council Tax Premium **Enclosed**

## **Portfolio Holder for Health and Wellbeing: Councillor Flint**

### **Key Decisions**

16. Healthy Lifestyle Service Contract Extension **Enclosed**

## **Portfolio Holder for Education and Skills: Councillor Statham**

### **Key Decisions**

17. Determination of the Scheme for coordinated admissions, and the Admission Arrangements for Community and Voluntary Controlled Primary Schools for the 2022/23 academic year **Enclosed**

## **Feedback from Overview and Scrutiny Committees**

### **Non-key Decisions**

18. Feedback from the Economy and Environment Overview and Scrutiny Committee regarding drone surveillance. **Enclosed**

## **Part II: Private Session**

## **Leader of the Council: Councillor Bird**

### **Key Decisions**

19. TUPE transfer of Black Country Local Enterprise Partnership Economic Intelligence Team **Enclosed**

-o0o-

# Cabinet

## Wednesday 14 December 2022

Minutes of the meeting held in Conference Room 2 at the Council House, Lichfield Street, Walsall at 6pm.

### Present – in person

|                         |   |
|-------------------------|---|
| Councillor Bird (Chair) | Leader of the Council                   |
| Councillor Ali          | Customer                                |
| Councillor Andrew       | Deputy Leader and Regeneration          |
| Councillor Elson        | Children's                              |
| Councillor Ferguson     | Internal Services                       |
| Councillor Flint        | Health and Wellbeing                    |
| Councillor Pedley       | Adult Social Care                       |
| Councillor Perry        | Deputy Leader and Resilient Communities |
| Councillor Murphy       | Clean and Green                         |
| Councillor M. Statham   | Education and Skills                    |

### In attendance – in person

H. Paterson, Chief Executive  
D. Hindson, Executive Director  
S. Portman, Head of Law  
C. Goodall, Principal Democratic Services Officer  
E. Cook, Assistant Democratic Services Officer

### In attendance – remote

K. Allward, Executive Director - Adult Social Care and Hub  
S. Neilson, Executive Director - Economy, Environment and Communities  
S. Rowe, Executive Director – Children's Services  
S. Gunther, Director of Public Health  
K. Goodall, Communications Business Partner

## Part 1 – Public Session

### 3997 Welcome

Councillor Bird opened the meeting by welcoming everyone and explaining that the Cabinet was meeting that evening in person and that the agenda and reports for this meeting were available on the Council's website. He explained that voting would be by way of a show of hands which would be witnessed and recorded by the Democratic Services officer in attendance.

### 3998 Apologies

No apologies were received.

### 3999 Minutes

The minutes of the meetings of 7 September 2022 (private minutes), 18 October 2022 and 2 November 2022 (Special Meeting) were submitted.

#### **Resolved**

That the minutes of 7 September 2022 (private minutes), 18 October 2022 and 2 November 2022 (Special Meeting), a copy of each having been sent to each member of the Cabinet, be approved and signed as a correct record subject to the following amendment:

### 4000 Declarations of interest

Councillor Perry declared an interest in item number 21.

### 4001 Local Government (Access to Information) Act, 1985

#### **Resolved**

That the public be excluded from the meeting during consideration of the items set out in the private part of the agenda for the reasons set out therein and Section 100A of the Local Government Act, 1972.

### 4002 Petitions

No petitions were submitted.

### 4003 Questions

The following question to Cllr Andrew was received from Mrs Fiona Macmillan:

*Are there any details concerning the pre-consultation period for the Walsall Local plan, where the aim is to raise public awareness? And if not, when might such details be available for the public? (reference para 4.21 Black Country Plan-Walsall Local Plan. Special Cabinet meeting)*

Councillor Andrew explained that Walsall Council's Cabinet considered a report at its meeting on 2 November 2022 which set out that following the announcement made by the leader of Dudley Council it would confirm that work on the Black Country Plan would no longer proceed. The Cabinet agreed that work would therefore start on a statutory planning document for Walsall, to be known as the Walsall Local Plan. The Cabinet approved a revised Local Development Scheme (LDS) which is a statutory document which sets the timetable for the Walsall Local Plan.

The LDS timetable indicates that the first consultation stage on the Walsall Local Plan is scheduled for September-October 2023 and will follow consideration of an

Issues and Options document by Cabinet in June 2023. At that stage, the Council will also consider the consultation approach which will be taken for the Issues and Options document.

We are not yet in a position to advise further about the arrangements for the Walsall Local Plan. A large number of issues have to be considered, including the content of the document, the resources (both staff and financial) that might be available, and the techniques to be used to ensure that consultation is as effective as possible; we will be able to elaborate after further internal discussions. However, the Cabinet reports that authorised consultation about the Black Country Plan included authorisation for the consultation techniques. We would expect any future report seeking authorisation to consult on the Walsall Local Plan to include a similar request.

As a supplementary question Mrs Macmillan asked how public awareness of the consultation would be raised? In response Cllr Andrew explained that the timing and type of pre-consultation work was, at this stage, to be confirmed.

#### 4004 **Forward plan**

The forward plan as at December 2022 was submitted:

(annexed)

**Resolved** (by assent)

That the forward plan be noted.

#### 4005 **Renewal of the council's insurance arrangements from 1 April 2023**

Councillor Bird introduced a report which sought to ensure that the council had adequate insurance arrangements in place from 1 April 2023 when its current policies expired.

(annexed)

It was moved by Councillor Bird and seconded by Councillor Andrew and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Delegate authority to the Executive Director Resources & Transformation, in consultation with the Leader of the council as the relevant Portfolio Holder, to award contracts for the provision of Insurance and Claims Handling Services for a period of 3 years, commencing on 1 April 2023.
2. Delegate authority to the Executive Director Resources & Transformation, in consultation with the Leader of the council as the relevant Portfolio Holder, to enter in to the optional 2 years extension period (1 April 2026 to 31 March 2028)



should this be the best decision at that point following a detailed review of options available to the council at that time.

3. Delegate authority to the Executive Director Resources & Transformation, in consultation with the Leader of the council as the relevant Portfolio Holder, to subsequently sign and/or authorise the sealing of any deeds, contracts or other related documents for the services being tendered.

#### 4006 **Treasury Management Mid-Year Position Statement 2022/23**

Councillor Bird introduced a report which provided a mid-year position statement reviewing treasury management activities and prudential and treasury indicator performance.

(annexed)

It was moved by Councillor Bird and seconded by Councillor Andrew and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Note and forward to Council, for consideration and noting (and in line with the requirements of the Treasury Management Code of Practice (2017)), the mid-year position statement for treasury management activities 2022/23 including prudential and local indicators (Appendix A).
2. Note that all Members should undertake training that is available from the Council's external Treasury Management advisors to enable Members to better understand and challenge the long-term financial implications of matters reported within the Treasury Management Strategy

#### 4007 **Corporate Financial Performance 2022/23**

Councillor Bird introduced a report on the forecast corporate financial position for 2022/23, based on the position to October 2022 and actions being taken to address the position to ensure the council outturns on budget.

(annexed)

It was moved by Councillor Bird and seconded by Councillor Andrew and upon being put to the vote it was;

**Resolved** (Unanimously)

That Cabinet:

1. Note a forecast revenue overspend of £0.05m and progress against delivery of approved savings, and approve in year mitigation actions totalling £11.28m as set out in this report and **Appendix 2**.

2. Note that £1.19m of adult social care discharge fund has been confirmed to support hospital discharge pressures in Adult Social Care. The grant is required to be pooled into the local Better Care Fund (BCF) and a spending plan is being developed.
3. Approve the use of £175k of Covid-19 funding from unringfenced grant as referenced in section 4.15 relating to additional costs of children in care due to delays in court proceedings.
4. Note that there is further risk in terms of fluctuating demand and prices in Children's Social Services; data issues in Adult Social Care; and increased cost of living demands, which may impact the forecast further, and therefore agree that all '*contractually*' uncommitted grants and earmarked reserves not included as mitigating actions by services are corporately risk assessed and subjected to a 'test and challenge process' and centralised as appropriate as a first call on any further deterioration in the 2022/23 position and that no further commitments are made against any grants or reserves until this process is complete;
5. Approve amendments to the capital programme as set out in section 4.16.
6. Note that the forecast for the capital programme is currently predicted to be on budget after the expected carry forward of £92.64m into 2023/24, as set out in sections 4.17 and 4.18.
7. Note financial health indicator performance as set out in section 4.20 and **Appendix 4**.
8. Note the prudential indicators as set out in section 4.26 and **Appendix 5**.
9. Approve the delegation of authority to the Interim Executive Director of Resources and Transformation, in consultation with the Portfolio Holder for Transformation and Finance (Leader of the Council) to negotiate and enter into the appropriate grant agreement/s with the Black Country Consortium Ltd to manage and deliver the Black Country Growth Hub, within the budgets and durations allocated for its use, as detailed in section 4.29.

**4008 Draft Revenue Budget and Draft Capital Programme 2023/24 – 2026/27 including the impact of the Autumn Statement 2022**

Councillor Bird introduced a report which provided an updated medium term financial outlook, draft revenue budget for (including savings proposals for consultation) and draft capital programme for 2023/24 to 2026/27, including setting out the process and timescale for setting a legally balanced budget for 2023/24.

(annexed)

It was moved by Councillor Bird and seconded by Councillor Andrew and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Note, as a basis for consultation, 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 2022, this represents a balanced budget for 2023/24.
2. Note the implications from the Chancellors Autumn Statement announcement on 17 November 2022 as set out in section 4.18-4.20 and that any financial implications arising once the Provisional (and Final) Settlement is received will be included in the budget report to Cabinet on 8 February 2023.
3. Note that the medium term financial outlook position assumes an increase in council tax of 2.99% in 2023/24 and 2024/25 and 1.99% in the following 2 years, the assumed level of “reasonableness” in respect of the current referendum principles.
4. Approve that the further 2% increase for Adult Social Care, permitted by the Autumn Statement be consulted on, with a report back to Cabinet on the outcome of that consultation.
5. To note the policy savings proposals for 2023/24 as set out in Appendix 2A and agree that they proceed to formal consultation, reporting back to Cabinet for a decision once consultation and equality impact assessment are complete.
6. Approve the operational savings proposals for 2023/24 to 2026/27 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.
7. Approve as a basis for consultation the current draft capital programme for 2023/24 to 2026/27 in section 4.32 to 4.48, and Appendices 3 to 5 - £110.09m for 2023/24 with a further £208.05m over the 3 year period 2024/25 to 2026/27.
8. Note that the level of contingency funds and general reserves will be set in line with the levels contained within the council’s MTF, the final level to be based on a detailed risk assessment, which will be reported to Cabinet and Council in February 2023 for approval.
9. Refer the budget for statutory consultation with national non domestic rate (NNDR) payers in respect of the current and available council tax assumptions in line with the referendum principles announced in the Autumn Statement 2022.
10. Refer this report to Scrutiny Overview Committee on 7 February 2023, 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.

#### 4009 **Willenhall Framework Plan: Phase 1 Developer Partner Procurement Approach and Funding Update**

Councillor Andrew introduced a report which aimed to secure approval for the procurement route to support delivery of Willenhall Garden City Phase 1 (Moat Street and Villiers Street), which would lead to the development of new homes.

(annexed)

*Decision taken in the private session, following consideration of exempt information (see minute 4027).*

#### 4010 **UK Shared Prosperity Fund**

Councillor Andrew introduced a report which sought to secure authority to enter into agreements with the Lead Authority (West Midlands Combined Authority) to draw down funding to support delivery of the outcomes of the UK Shared Prosperity Fund (UKSPF), set out in the WMCA UKSPF Investment Plan.

(annexed)

It was moved by Councillor Andrew and seconded by Councillor Bird and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Note the total funding allocation for Walsall from the UK Shared Prosperity Fund of £8,252,409 and £1,785,434 from Multiply from 2022/23 to 2024/25.
2. Note that Walsall will also receive a share of the 4% management fee to support programme management of UKSPF in addition to the allocations set out in 3.1.
3. Delegate authority to the Executive Director for Economy, Environment and Communities in consultation with the Executive Director for Resources and Transformation and the Cabinet Member for Regeneration to:
  - Accept Walsall's allocation of UK Shared Prosperity Funding and Multiply and enter into a three-year Memorandum of Understanding and annual grant funding agreements with West Midlands Combined Authority as lead authority.
  - Agree a set of interventions to be delivered locally which will deliver the agreed outcomes set out in the Investment Plan.
  - Approve further changes to the proposed UK Shared Prosperity Fund local spending profiles based on ongoing discussions with the West Midlands Combined Authority.
  - Agree spend at risk through delegated authority as outlined in 4.15 and 4.24.
  - Approve the establishment and spend of revenue and capital budgets in line with the funding agreement.
  - Carry out commissioning of UK Shared Prosperity and Multiply funding, including procurement activity and award of contracts as required.

- Enter into contracts and to subsequently authorise the sealing, signing or variation of any deeds, contracts or other related documents for such services including optional extension periods.
  - Approve the payment of grants for delivery of local activity to voluntary sector organisations, partners and/or sub-contractors, and enter into the appropriate funding agreements.
  - Agree the final arrangements for the management administration allocation with WMCA, to support programme management of UKSPF.
4. Note the use of delegated authority by the Executive Director for Economy, Environment and Communities to accept £155,000 of Multiply funding to support numeracy learning provision ahead of Cabinet agreeing to delegate acceptance of the overall package.

#### 4011 **Walsall Economic Strategy**

Councillor Andrew introduced a report which set out the Walsall Economic Strategy.

(annexed)

The Walsall Economic Strategy sought to provide an evidence-based document stating and analysing the current position in terms of the local economy, working with Council teams and external partners to shape the narrative and create a set of interventions to drive improvement in the economic performance of the borough.

It was moved by Councillor Andrew and seconded by Councillor Bird and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet approve the Economic Strategy and its recommendations, as set out in Appendix A, as an analysis of the current position and a reference for future funding bids.

#### 4012 **Responses to Birmingham City Council, Stafford Borough Council and South Staffordshire District Council Local Plan Consultations**

Councillor Andrew introduced a report which sought to agree the consultation responses to be submitted by Walsall Council to consultations on the local plans for Birmingham, Stafford and South Staffordshire.

(annexed)

Councillor Andrew explained that the duty to cooperate with neighbouring authorities included those who were formerly participating in the Black Country Plan and that the responses being considered in the report had been recommended by Planning Committee to Cabinet for approval. It was moved by

Councillor Andrew and seconded by Councillor Bird and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Confirm approval of the consultation response to the Birmingham Local Plan Issues and Options consultation attached as **Appendix 2** and the response to Stafford Borough Local Plan Preferred Options consultation attached as **Appendix 3** of this report which have been submitted to the respective consultations as these closed prior to the date of this meeting of Cabinet.
2. Approve the proposed response to the South Staffordshire Local Plan Publication (Regulation 19) consultation attached as **Appendix 4** of this report for submission.
3. Note that future responses to consultations on neighbouring authorities' local plans on behalf of Walsall Council will be reported to Cabinet for approval.

#### 4013 **We Are Walsall 2040 Engagement feedback**

Councillor Perry introduced a report which provided engagement feedback from residents, voluntary and community groups and the business community as part of We Are Walsall 2040 engagement.

(annexed)

Members thanked the Communications and Resilient Communities teams for their work in making the We Are Walsall 2040 engagement so wide-reaching. It was moved by Councillor Perry and seconded by Councillor Bird and upon being put to the vote it was;

**Resolved** (by assent)

That Cabinet:

1. Note the findings from various engagement activities carried out throughout June-November 2022 to inform the We are Walsall 2040 borough plan.
2. Note existing and planned activities that will address priorities and concerns raised through We are Walsall 2040 engagement.
3. Note the timescales for development of the borough plan through to ratification at Council June 2023

#### 4014 **Walsall Council Food Law Enforcement Service Plan 2022/23**

Councillor Perry introduced a report including the Food Law Enforcement Service Plan (the Plan). The Plan described how the Authority would enforce statutory controls regarding food safety and monitor food, premises and personnel in a

structured manner. The Plan would also be used as the basis for any inspection or audit by the Food Standards Agency (FSA).

(annexed)

A supporting presentation with examples of good and bad practice was provided, along with data regarding food standards enforcement in Walsall. It was moved by Councillor Perry and seconded by Councillor Bird and upon being put to the vote it was;

**Resolved** (unanimously)

1. That Cabinet receive the Food Law Enforcement Service Plan for the year 2022/23, as evidence of the Council's compliance with its statutory duties in relation to food law, and recommend it to Council for approval and adoption.
2. That the Executive Director for Economy, Environment and Communities write to the Government to request for it to be a mandatory requirement to display food hygiene certificate ratings in all takeaway and food outlets in England.

#### 4015 **Home Upgrade Grant (HUG) Round 2 Procurement and Update**

Councillor Ali introduced a report which sought to enable the council to deliver any funds secured under the Home Upgrade Grant Round 2 (HUGS 2) up to project close on 31 March 2025 in line with corporate procurement rules.

(annexed)

It was moved by Councillor Ali and seconded by Councillor Bird and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet delegate authority to the Executive Director of Children's and Customer to enter into the relevant agreements with contractors (listed in Table 2) from the Fusion 21 Framework (the "Framework") if Home Upgrade Grant (HUG) Round 2 funding is approved by the Department of Business, Energy and Industrial Strategy (BEIS).

#### 4016 **Award of contract for provision of the Housing First service**

Councillor Ali introduced a report which sought to ensure the Council continues to support customers who remain within the Housing First service, contributing to the continued reduction of rough sleeping in Walsall.

(annexed)

*Decision taken in the private session, following consideration of exempt information (see minute 4029).*

#### 4017 **Food For Life Contract Extension**

Councillor Flint introduced a report which sought approval to extend the Food For Life contract. The request for extension was to continue support for healthy eating and growing in early years settings and schools by working with school staff, caterers, and parents from 1 April 2023 to 31 March 2024. This period would allow consideration on the future plans for healthy eating in schools and early years based on the proposed Walsall Food Plan.

(annexed)

It was moved by Councillor Flint and seconded by Councillor Statham and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Approve the extension of the Soil Association Food for Life's existing contract from 1 April 2023 to 31 March 2024 at a cost of £220,000.
2. Delegate authority to the Director of Public Health, in consultation with the Portfolio Holder for Health and Wellbeing, to extend the contract on behalf of the Council and to subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents for such services, and variations should this be required at any time during the term, in line with Public Contract Regulations and the Council's Contract Rules.

#### 4018 **Future contracting arrangements for Integrated Sexual Health Services and Healthy Child Programme 0-5 and 5-19**

Councillor Flint introduced a report which sought to ensure that Walsall Council continues to provide a robust integrated sexual health service and Healthy Child 0-19 Programme, using an appropriate and agreed commissioning mechanism from April 2023.

(annexed)

It was moved by Councillor Flint and seconded by Councillor Bird and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Approve entering into a Section 75 agreement for the provision of the integrated sexual health service, delivered by Walsall Healthcare NHS Trust from 1 April 2023 to 31 March 2024.



2. Approve entering into a Section 75 agreement for the provision of the Healthy Child Programme 0-5 service contract delivered by Walsall Healthcare NHS Trust from 1 April 2023 to 31 March 2024.
3. Approve entering into a Section 75 agreement for the provision of the Healthy Child Programme 5-19 service, contract delivered by Walsall Healthcare NHS Trust from 1 April 2023 to 31 March 2024.
4. Delegate authority to the Director of Public Health, in consultation with the Portfolio Holder for Health and Wellbeing, for any further decisions required in relation to moving forward with the contracts.

**4019 Approval to extend the Electronic Call Monitoring Contract with Access UK limited**

Councillor Pedley introduced a report which sought permission to extend the existing Electronic Call Monitoring (ECM) contract a further 6 months from 26 April 2023 to 25 October 2023 and gave the option of extending the same contract a further 12 months if required to 25 October 2024, pending the outcome of an options appraisal.

(annexed)

Councillor Pedley explained that some providers of care had no monitoring system, whilst others used the contracted ECM service. Extending the contract would enable work to be conducted to find a suitable replacement system for all providers. It was moved by Councillor Pedley and seconded by Councillor Bird and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Approve the request to extend the existing Electronic Call Monitoring contract with Access UK Limited a further 6 months from 26 April 2023 to 25 October 2023.
2. Delegate authority to the Executive Director of Adults, Public Health and Hub, in consultation with the Portfolio Holder for Adult Social Care, to extend the Electronic Call Monitoring contract with Access UK Limited for further periods, as may be required pending the outcome of an options appraisal, up to a maximum of 12 months ending 25 October 2024.
3. Delegate authority to the Executive Director of Adults, Public Health and Hub, to subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents for such services as identified above.
4. Delegate authority to the Executive Director of Adults, Public Health and Hub, in consultation with the Portfolio Holder for Adult Social Care to subsequently authorise any variations to the contractual arrangements or other related documents for such services should this be required throughout the duration of the contract and provided they are in line with the Council's Contract Rules and any relevant legislation, including Public Contracts Regulations 2015.

#### 4020 **Proposed Schools Local Funding Formula 2023/24**

Councillor Statham introduced a report which sought approval for the proposed schools local funding formula for 2023/24.

(annexed)

It was explained that at their meeting of 13 December 2022, Schools Forum had recommended funding option 4 be used, rather than option 5 as recommended in the report. This was because Schools representing the majority of pupils did not choose option 5 during the consultation period and therefore the majority of Schools Forum representatives supported option 4. Whilst, the majority of primary school representatives supported option 4 and secondary representatives supported option 5, option 4 still provides a move to the national funding formula over a period of 2 years and allows schools a longer period of time to make preparations for the transition. It was moved by Councillor Statham and seconded by Councillor Flint and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Review and note the outcome of the consultation exercise, which recommended funding option 5 as the basis for the Schools Funding Formula for 2023/24 (implement National Funding Formula rates in full as set out in Appendix 1). Cabinet also noted the recommendation to proceed with option 4 (gradual transition over 2 years) from Schools Forum at its meeting on 13 December 2022.
2. Approve funding option 4 to be used as the basis of the Schools Funding Formula for 2023/24
3. Note that the Department for Education may request revisions to individual funding formula factor values on review of the October 2022 census.
4. Delegate authority to the Director of Children's Services in consultation with the Portfolio Holder for Education and Skills to amend the formula in line with Department for Education requirements and to comply with relevant funding regulations for the 2023/24 Schools Funding Formula.

#### 4021 **Secondary Place Sufficiency**

Councillor Statham introduced a report which sought to address the additional need for school places within secondary schools to ensure there are sufficient school places for resident children who want a school place.

(annexed)

It was moved by Councillor Statham and seconded by Councillor Ali and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Note the potential increase in the number of secondary school places in Walsall that may be required.
2. Approve the proposal to provide additional secondary school places at the school sites set out in this report to meet the increase in demand for school places from September 2023.
3. Approve the creation of temporary secondary school places as a at Grace Academy, Pool Hayes Academy and Joseph Leckie Academy, creating 150 places for September 2023 at a cost of £1,672,200.
4. Approve a design and feasibility study for the permanent expansion at Pool Hayes Academy and Joseph Leckie Academy at a cost of £639,840. Once full financial costs are established, a further paper will be brought to Cabinet for approval.
5. Delegate authority to the Executive Director: Children's and Customer, in consultation with the Portfolio Holder for Education and Skills, to enter into agreements up to the values noted in 3.3 and 3.4 of this report for the temporary solutions for September 2023 and feasibility studies for the permanent expansions.

4022 **Special Educational Needs Sufficiency**

Councillor Statham introduced a report which sought to address the additional need for school places within special schools to ensure there are sufficient school places for resident children who want a school place. The report provided an overview of the current position and short, medium- and long-term options to support the Special Educational Needs and Disability (SEND) specialist provision planning within the Local Authority.

(annexed)

It was moved by Councillor Statham and seconded by Councillor Bird and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Note the potential increase in the numbers of Special Educational Needs (SEN) places in Walsall that is required.
2. Approve providing additional SEN school places across the borough.
3. Delegate authority to the Executive Director: Children's and Customer, in consultation with the Portfolio Holder for Education and Skills, to enter into agreements up to the values noted in 4.5 for the creation of Specialist Resourced Provision at mainstream schools at a cost of £2,480,000 and 4.11 and for feasibility studies for the permanent expansions at a cost of £500,000.

4. Approved the creation of additional places within the Education Development Centre (EDC) as part of the Oakwood School by creating a satellite provision creating an additional 140 places at a cost of £1,140,000.

#### 4023 **Recommendations from Children's Services Overview and Scrutiny Committee**

Councillor Elson introduced a report which set out a recommendation from the Children's Services Overview and Scrutiny Committee, made on 27 September 2022.

(annexed)

Cabinet considered the recommendations of the Children's Services Overview and Scrutiny Committee. Whilst budgetary pressures meant the funding of non-statutory services must be based on priorities, Cabinet felt this was an important service to support and believed that removing support would have a negative effect on young people.

**Resolved** (by assent)

That Cabinet noted the recommendation of the Children's Services Overview and Scrutiny Committee and that investment of £888,396 into Early Help is included in the draft revenue budget 2023/24 – 2026/27.

#### 4024 **Exclusion of public**

**Resolved**

That during consideration of the remaining items on the agenda, the Cabinet considers that the items for consideration are exempt information by virtue of the appropriate paragraph(s) of Part I of Schedule 12A of the Local Government Act, 1972, and accordingly resolves to consider the items in private.

### **Public Summary of decisions taken in the Private Session**

#### 4025 **Update On Streamlining Black Country Ways of Working – Black Country Consortium Ltd**

Councillor Bird introduced a report which sought to outline and approve the streamlining of Black Country ways of working, with regards to the Black Country Consortium Ltd and the Black Country Local Enterprise Partnership (BC LEP).

It was moved by Councillor Bird and seconded by Councillor Andrew and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Approve the voluntary winding up of the Black Country Consortium Limited.
2. Agree in principle to support a TUPE transfer of the Black Country Consortium Economic Intelligence Unit to Walsall Council on 1 April 2023, subject to due diligence being completed and notes that it will receive a future report in relation to this.
3. Note the Association of Black Country Authorities Leaders' endorsements made at their meeting held on 19 October 2022.

*(Exempt Information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)*

#### 4026 **Black Country Enterprise Zone - Gasholders Site**

Councillor Andrew introduced a report which sought approval for the direction of travel and undertaking of investigatory works, to enable the redevelopment of the Gasholders site for high-quality employment use and subsequent generation of economic outputs, including business growth and job creation, for the local area.

It was moved by Councillor Andrew and seconded by Councillor Statham and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Approve the direction of travel for the Council to continue to assess and progress pre-development work towards the objective of developing a high-quality employment scheme at the Gasholders site, with a view to finalising the procurement route enabling the preparation of the procurement strategy.
2. Approve to undertake a series of further site investigation works, using existing Council budgets within Regeneration, Housing & Economy service in order to refine the estimated project capital costs and funding requirement, including preparation of an outline business case for future consideration by the West Midlands Combined Authority and Cabinet.

*(Exempt Information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)*

#### 4027 **Willenhall Framework Plan: Phase 1 Developer Partner Procurement Approach and Funding Update**

Councillor Andrew introduced a report, including exempt information, which aimed to secure approval for the procurement route to support delivery of Willenhall Garden City Phase 1 (Moat Street and Villiers Street), which will lead to the development of new homes.

It was moved by Councillor Andrew and seconded by Councillor Flint and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Note and approve the preferred developer partner procurement route set out in this report.
2. Authorise Officers to commence the procurement of a developer partner for Willenhall Garden City: Moat Street and Villiers Street (Phase 1) via the Homes England Dynamic Purchasing System (DPS) noting that the appointment of the successful bidder will be the subject of a future Cabinet decision.
3. Delegate authority to the Executive Director for Economy, Environment and Communities, in consultation with the Portfolio Holder for Regeneration to approve the Invitation To Tender documentation specifically relating to the Council's minimum requirements and the evaluation criteria.
4. Note the updated funding position for Willenhall Garden City: Phase 1 resulting from work on the Levelling Up Round 2 and Black Country LEP Land and Property Investment Fund bids.

*(Exempt Information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)*

#### 4028 **Creative Industries Enterprise Project**

Councillor Andrew introduced a report which report set out the progress made on the Creative Industries Enterprise Project and discussed considerations in taking the next steps.

It was moved by Councillor Andrew and seconded by Councillor Flint and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Delegate authority to the Executive Director of Resources & Transformation, in consultation with the Portfolio Holder for Regeneration, to negotiate and enter into all necessary legal agreements to successfully deliver the Creative Industries Enterprise Project (CIEP) which comprises of the total refurbishment of The Guildhall, a Grade II\* listed building, into a makerspace for creatives.
2. Agree to fund a further £3,000,000 capital budget in the event that the bid to the Arts Council for the Cultural Development Fund is unsuccessful.

*(Exempt Information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)*

#### 4029 **Award of contract for provision of the Housing First service**

Councillor Ali introduced a report which sought to ensure the Council continue to support customers who remain within the Housing First service, contributing to the continued reduction of rough sleeping in Walsall.

It was moved by Councillor Ali and seconded by Councillor Flint and upon being put to the vote it was;

**Resolved** (unanimously)

That Cabinet:

1. Approve the award of the contract for the provision of the Housing First service to GreenSquareAccord Limited for the period 1 April 2023 to 31 March 2025 with an expected contract value of £676,400 with an option to extend for up to a further 24 months to 31 March 2027 which would take the estimated total contract value to £1,329,200.
2. Delegate authority to the Executive Director of Children's and Customer, to enter into a contract to deliver the Housing First service and to subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents for such services including the optional extension periods.
3. Delegate authority to the Executive Director for Children's and Customer, in consultation with the Portfolio Holder for Customer, to authorise any variations to the contractual arrangements or other related documents for the service identified above, should this be required at any time during the contract term, in line with Public Contracts Regulations 2015 and the Council's Contract Rules.

*(Exempt Information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)*

There being no further business, the meeting terminated at 6:56 p.m.

Chair:

Date:



## **FORWARD PLAN OF KEY DECISIONS**

**Council House,  
Lichfield Street,  
Walsall, WS1 1TW**  
[www.walsall.gov.uk](http://www.walsall.gov.uk)

**9 January 2023**



## FORWARD PLAN

The forward plan sets out decisions that are termed as “key decisions” at least 28 calendar days before they are due to be taken by the Executive (Cabinet). Also included on the plan are other decisions to be taken by the Cabinet (“non-key decisions”). Preparation of the forward plan helps the Council to programme its work. The purpose of the forward plan is to give plenty of notice and an opportunity for consultation on the issues to be discussed. The plan is updated each month with the period of the plan being rolled forward by one month and republished. Copies of the plan can be obtained from Democratic Services, Walsall MBC, Council House, Walsall, WS1 1TW [craig.goodall@walsall.gov.uk](mailto:craig.goodall@walsall.gov.uk) and can also be accessed from the Council’s website at [www.walsall.gov.uk](http://www.walsall.gov.uk). The Cabinet is allowed to make urgent decisions which do not appear in the forward plan, however, a notice will be included on the agenda for the relevant Cabinet meeting which explains the reasons why.

Please note that the decision dates are indicative and are subject to change. Please contact the above addressee if you wish to check the date for a particular item.

The Cabinet agenda and reports are available for inspection by the public 7 days prior to the meeting of the Cabinet on the Council’s website. Background papers are listed on each report submitted to the Cabinet and members of the public are entitled to see these documents unless they are confidential. The report also contains the name and telephone number of a contact officer. These details can also be found in the forward plan.

Meetings of the Cabinet are open to the public. Occasionally there are items included on the agenda which are confidential and for those items the public will be asked to leave the meeting. The forward plan will show where this is intended and the reason why the reports are confidential. Enquiries regarding these reasons should be directed to Democratic Services ([craig.goodall@walsall.gov.uk](mailto:craig.goodall@walsall.gov.uk)).

“Key decisions” are those decisions which have a significant effect within the community or which involve considerable expenditure or savings. With regard to key decisions the Council’s Constitution states:

- (1) A key decision is:
  - (i) any decision in relation to an executive function which results in the Council incurring expenditure which is, or the making of savings which are, significant, having regard to the Council’s budget for the service or function to which the decision relates or
  - (ii) any decision that is likely to have significant impact on two or more wards within the borough.
- (2) The threshold for “significant” expenditure/savings is £500,000.
- (3) A decision taker may only make a key decision in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of this Constitution.

**FORWARD PLAN OF KEY DECISIONS  
FEBRUARY 2023 TO MAY 2023 (09.01.23)**

| 1   | 2  | 3  | 4   | 5  | 6   | 7   |
|---|--|--|---|--|---|---|
| Reference No./ Date first entered in Plan | Decision to be considered (to provide adequate details for those both in and outside the Council)  | Decision maker                             | Background papers (if any) and Contact Officer  | Main consultees  | Contact Member (All Members can be written to at Civic Centre, Walsall) | Date item to be considered                      |
| 141/22<br>(10.10.22)                      | <p><b>Corporate Financial Performance 2022/23:</b></p> <p>To report the financial position based on 9 months to December 2022, including the impact of Covid-19.</p>   | Cabinet<br><br>Non-key decision            | Vicky Buckley<br><br><a href="mailto:Vicky.Buckley@walsall.gov.uk">Vicky.Buckley@walsall.gov.uk</a>                               | Corporate Management Team and Internal Services  | Cllr Bird   | 8 February 2023                                 |
| 142/22<br>(10.10.22)                      | <p><b>Corporate Budget Plan 2023/24 – 2026/27, incorporating the Capital Strategy and the Treasury Management and investment Strategy 2023/24:</b></p> <p>To recommend the final budget and council tax for approval by Council.</p> | Cabinet<br><br>Council<br><br>Key decision | Vicky Buckley<br><br><a href="mailto:Vicky.Buckley@walsall.gov.uk">Vicky.Buckley@walsall.gov.uk</a>                               | Council tax payers, business rate payers, voluntary and community organisations<br><br>Internal Services | Cllr Bird   | 8 February 2023<br><br>Council 23 February 2023 |
| 150/22<br>(7.11.22)                       | <p><b>Payments Project Contract Award:</b></p> <p>To award a contract to Capita/Pay360 Ltd (soon to be Access Group Ltd) for the provision of Pay 360 Licences and Capita/Pay360 Ltd services.</p>                                   | Cabinet<br><br>Key Decision                | Janice Freeman-Phillips<br><br><a href="mailto:Janice.Freeman-Phillips@walsall.gov.uk">Janice.Freeman-Phillips@walsall.gov.uk</a> | Internal Services  | Cllr Bird   | 8 February 2023                                 |

|                     |  |                                     |  |                   |             |                 |
|---------------------|--|-------------------------------------|--|-------------------|-------------|-----------------|
| 155/22<br>(7.11.22) | <p><b>Council Plan: Review of Achievements 2021/22:</b></p> <p>To note the Review of Achievements for 2021/22, highlighting successes and progress towards achieving our Council priorities.</p>   | <p>Cabinet<br/>Non-key decision</p> | <p>Meresh Kumari<br/>(<a href="mailto:meresh.kumari@walsall.gov.uk">meresh.kumari@walsall.gov.uk</a>)</p> <p>Elizabeth Connolly<br/>(<a href="mailto:elizabeth.connolly@walsall.gov.uk">elizabeth.connolly@walsall.gov.uk</a>)</p> | Internal Services | Cllr Bird   | 8 February 2023 |
| 7/23<br>(9.1.23)    | <p><b>TUPE transfer of Black Country Local Enterprise Partnership Economic Intelligence Team:</b></p> <p>To consider the transfer of the Black Country LEP Economic Intelligence Team to Walsall Council.</p>  | <p>Cabinet<br/>Key Decision</p>     | <p>Stephen Gunther<br/>(<a href="mailto:Stephen.Gunther@walsall.gov.uk">Stephen.Gunther@walsall.gov.uk</a>)</p>  | Internal Services | Cllr Bird   | 8 February 2023 |
| 107/22<br>(6.6.22)  | <p><b>Procurement of Corporate Landlord Strategic Partner:</b></p> <p>To seek approval to the appointment of a strategic partner to support the programme of capital schemes related to the council's property portfolio.</p>  | <p>Cabinet<br/>Key Decision</p>     | <p>Nick Ford<br/>(<a href="mailto:Nick.Ford@walsall.gov.uk">Nick.Ford@walsall.gov.uk</a>)</p>  | Internal Services | Cllr Andrew | 8 February 2023 |
| 1/23<br>(9.1.23)    | <p><b>Derelict Sites Intervention:</b></p> <p>That various key derelict sites be appraised and prioritised for intervention and that authority be delegated to pursue Compulsory Purchase Orders where appropriate.</p> <p><i>This will be a private report containing exempt information.</i></p> | <p>Cabinet<br/>Key Decision</p>     | <p>Philippa Venables<br/>(<a href="mailto:Philippa.Venables@walsall.gov.uk">Philippa.Venables@walsall.gov.uk</a>)</p>  | Internal Services | Cllr Andrew | 8 February 2023 |

|                     |   |   |  |                             |            |   |
|---------------------|---|---|--|-----------------------------|------------|---|
| 129/22<br>(5.9.22)  | <p><b>Update on Resilient Communities Safer Streets Programme:</b></p> <p>To report back on Safer Streets activity and recommend any adjustments/additions to the programme.</p>  | <p>Cabinet</p> <p>Non-key Decision</p>            | <p>Paul Gordon</p> <p><a href="mailto:Paul.Gordon@walsall.gov.uk">Paul.Gordon@walsall.gov.uk</a></p>             | Internal Services           | Cllr Perry | 8 February 2023                                 |
| 8/23<br>(9.1.22)    | <p><b>We Are Walsall 2040:</b></p> <p>To consider the draft We are Walsall 2040 strategy and consultation framework.</p>  | <p>Cabinet</p> <p>Key Decision</p>                | <p>Karen Griffiths</p> <p><a href="mailto:Karen.Griffiths@walsall.gov.uk">Karen.Griffiths@walsall.gov.uk</a></p> | Internal Services           | Cllr Perry | 8 February 2023                                 |
| 151/22<br>(7.11.22) | <p><b>Introduction of Council Tax Premium on unoccupied but furnished properties:</b></p> <p>Levy the premium on properties that are unoccupied and unfurnished for more than 12 months. Effective from 1 April 24</p>  | <p>Cabinet</p> <p>Council</p> <p>Key Decision</p> | <p>Mark Fearn</p> <p><a href="mailto:Mark.Fearn@walsall.gov.uk">Mark.Fearn@walsall.gov.uk</a></p>                | Part of budget consultation | Cllr Ali   | 8 February 2023<br><br>Council 23 February 2023 |
| 156/22<br>(7.11.22) | <p><b>Healthy Lifestyles Contract and Smoking Cessation Contract Extensions:</b></p> <p>To delegate authority to the Director of Public Health and the Portfolio Holder for Health and Wellbeing. This will allow them to extend contracts on behalf of the Council and to subsequently authorise the variations to the contractual arrangements for the services should this be required at any time during the term, in line with Public Contract Regulations and the Council's Contract Rules.</p> | <p>Cabinet</p> <p>Key Decision</p>                | <p>Joe Holding</p> <p><a href="mailto:Joe.Holding@walsall.gov.uk">Joe.Holding@walsall.gov.uk</a></p>             | Internal Services           | Cllr Flint | 8 February 2023                                 |

|                  |  |                             |  |   |              |                 |
|------------------|--|-----------------------------|--|---|--------------|-----------------|
|                  |  |                             |  |   |              |                 |
| 2/23<br>(9.1.23) | <p><b>Adult Social Care Market Sustainability Plan:</b></p> <ol style="list-style-type: none"> <li>1. To consider the outputs of Phase 2 Fair Cost of Care Exercise in Walsall and note the potential implications for Adult Social Care fee rate setting and budgets.</li> <li>2. To note the content of the final Market Sustainability Plan briefing paper.</li> <li>3. To seek delegated authority for the Portfolio holder, Adult Social Care and the Executive Director, Adult Social Care to approve the final Market Sustainability Plan submission to Department for Health and Social Care.</li> </ol> | Cabinet<br><br>Key Decision | Tony Meadows<br><br><a href="mailto:Tony.Meadows@walsall.gov.uk">Tony.Meadows@walsall.gov.uk</a> | Adult Social Care service providers<br><br>Internal Services<br><br>Local Integrated Care Board | Cllr Pedley  | 8 February 2023 |
| 3/23<br>(9.1.23) | <p><b>Determination of the Scheme for coordinated admissions, and the Admission Arrangements for Community and Voluntary Controlled Primary Schools for the 2022/23 academic year:</b></p> <p>To approve the Scheme for coordinated admissions and the Admission Arrangements for Community and</p>  | Cabinet<br><br>Key Decision | Alex Groom<br><br><a href="mailto:Alex.Groom@walsall.gov.uk">Alex.Groom@walsall.gov.uk</a>       | Internal Services   | Cllr Statham | 8 February 2023 |

|                     |   |                         |   |                   |                            |               |
|---------------------|---|-------------------------|---|-------------------|----------------------------|---------------|
|                     | Voluntary Controlled Primary Schools for the 2022/23 academic year:   |                         |   |                   |                            |               |
| 152/22<br>(7.11.22) | <p><b>Renewal of the Council's Oracle Cloud Licenses:</b></p> <p>To renew the Council's Oracle cloud Licenses required for the operation of the Council's One Source system for HR, Payroll, Finance and Procurement from May 2023</p>                    | Cabinet<br>Key Decision | Ian Tuft<br><a href="mailto:Ian.Tuft@walsall.gov.uk">Ian.Tuft@walsall.gov.uk</a>                            | Internal Services | Cllr Bird<br>Cllr Ferguson | 22 March 2023 |
| 162/22<br>(5.12.22) | <p><b>Approval of the Black Country Joint Committee Collaboration Agreement:</b></p> <p>Delegate authority to the Executive Director for Resources and Transformation to enter into legal agreements with WMCA relating to BC LEP Legacy funds.</p>       | Cabinet<br>Key Decision | Kelly Valente<br><a href="mailto:Kelly.Valente@walsall.gov.uk">Kelly.Valente@walsall.gov.uk</a>             | Internal services | Cllr Bird                  | 22 March 2023 |
| 145/22<br>(7.11.22) | <p><b>Town Centre Theatre Project:</b></p> <p>To agree next steps for the Town Deal Theatre project, setting out funding implications and options.</p> <p><i>This will be a private session report containing commercially sensitive information.</i></p> | Cabinet<br>Key Decision | Philippa Venables<br><a href="mailto:Philippa.Venables@walsall.gov.uk">Philippa.Venables@walsall.gov.uk</a> | Internal services | Cllr Andrew                | 22 March 2023 |
| 4/23<br>(9.1.23)    | <p><b>West Midlands Local Transport Plan Settlement and Transport Capital Programme 2023/24:</b></p> <p>To approve the West Midlands Local Transport Plan Settlement and Transport Capital Programme 2023/24.</p>   | Cabinet<br>Key Decision | Matt Crowton<br><a href="mailto:Matt.Crowton@walsall.gov.uk">Matt.Crowton@walsall.gov.uk</a>                | Internal Services | Cllr Andrew                | 22 March 2023 |

|                      |  |                             |  |   |                 |               |
|----------------------|--|-----------------------------|--|---|-----------------|---------------|
| 5/23<br>(9.1.23)     | <b>Sandwell Local Plan – Issues and Options Consultation:</b><br><br>To approve Walsall’s response to the Sandwell Local Plan consultation.  | Cabinet<br><br>Key Decision | Neville Ball<br><br><a href="mailto:neville.ball@walsall.gov.uk">neville.ball@walsall.gov.uk</a>       | Internal Services                                       | Cllr Andrew     | 22 March 2023 |
| 153/22<br>(7.11.22)  | <b>Walsall’s Homelessness and Rough Sleeping Strategy 2022 to 2027:</b><br><br>To approve Walsall’s Homelessness and Rough Sleeping Strategy, 2022 to 2027.  | Cabinet<br><br>Key Decision | Neil Hollyhead<br><br><a href="mailto:Neil.HollyHead@walsall.gov.uk">Neil.HollyHead@walsall.gov.uk</a> | Internal services, service users, external stakeholders | Cllr Ali        | 22 March 2023 |
| 6/23<br>(9.1.23)     | <b>Borough Playing Pitch Strategy:</b><br><br>To adopt and publish the Walsall Playing pitches strategy and the Black Country strategic framework  | Cabinet<br><br>Key Decision | Liz Stuffins<br><br><a href="mailto:Liz.Stuffins@walsall.gov.uk">Liz.Stuffins@walsall.gov.uk</a>       | Internal Services                                       | Cllr Flint      | 22 March 2023 |
| 140/22<br>(10.10.22) | <b>High Needs Funding Formula:</b><br><br>To approve changes to the High Needs Funding Formula, as agreed by Schools Forum, to be used for the allocation of Dedicated Schools Grant – High Needs Block to schools in Walsall for the 2023/24 financial year | Cabinet<br><br>Key Decision | Richard Walley<br><br><a href="mailto:Richard.Walley@walsall.gov.uk">Richard.Walley@walsall.gov.uk</a> | Internal Services, Schools Forum                        | Cllr M. Statham | 22 March 2023 |
| 154/22<br>(7.11.22)  | <b>Early Years Funding Formula:</b><br><br>That Cabinet approves the Early Years Formula, as agreed by Schools Forum, to be used for the allocation of funding to early years providers in Walsall   | Cabinet<br><br>Key Decision | Richard Walley<br><br><a href="mailto:Richard.Walley@walsall.gov.uk">Richard.Walley@walsall.gov.uk</a> | Schools Forum<br><br>Internal Services                  | Cllr M. Statham | 22 March 2023 |





## Cabinet – 8 February 2023

### Corporate Budget Plan 2023/24 to 2026/27, incorporating the Capital Strategy; and the Treasury Management and Investment Strategy 2023/24

**Portfolio:** Councillor M.A. Bird – Leader of the Council

**Related Portfolios:** All

**Service:** Finance – council wide

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### 1. Aim

- 1.1 To provide the revenue and capital resource envelope for delivery of the council's aims and objectives and ensure that the statutory framework is met by recommending the statutory determinations (gross expenditure and income and council tax requirement for the year) and council tax bands, the capital programme and the Treasury Management and Investment Strategy to Full Council for approval.

#### 2. Summary

- 2.1 This report contains several sections as follows:

**Section A for Cabinet approval** - Findings from Budget Consultation: Financial Year 2023/24+ and Cabinet Responses. This section is for Cabinet's consideration and approval:

- **Part 1** - Report on findings from Overview and Scrutiny Committees.
- **Part 2** - Report on findings from budget consultation.
- **Part 3** - Report on outcomes of equality impact assessments.

**Section B for Cabinet approval and recommendation to Council consists of:**

- **Part 1** - The Revenue Corporate Budget Plan and Capital Programme; comprising the final revenue and capital budget following consideration of consultation feedback and equality impact assessment by Cabinet. This also includes the Capital Strategy and the Flexible Use of Capital Receipts Strategy.
- **Part 2A** - Treasury Management and Investment Strategy as required by the Treasury Management Code of Practice (2017). It includes details on the

Prudential Code Indicators (PCIs) for the next three years and asks Cabinet to approve them and recommend adoption of these to full Council. The Strategy both complies with the Local Government Act 2003, and also provides an additional framework over and above the statutory minimum for monitoring performance.

- **Part 2B** - Treasury Management Policy Statement as required by the Treasury Management Code of Practice (2017).

### 3. Recommendations

#### 3.1 That Cabinet note:

- a) That at the time of despatch of this report, the final local government settlement for 2023/24 has not been received. Any changes arising from this will be included within the final papers to Council.
- b) That at the time of despatch of this report, the precepting authorities (fire and police) had not formally notified the authority of their final council tax precept levels for 2023/24. Draft figures have been included. Final figures will therefore be provided prior to or at the Council meeting of 23 February 2023 should they change.
- c) That at the time of despatch of this report, the levy authorities, (Environment Agency and West Midlands Combined Authority - Transport Levy) had not formally notified the authority of their final demand for 2023/24. Estimates have been used for the Transport Levy based on informal communication. (The final Transport Levy is expected to be approved early February and will be included within the final papers to Council).
- d) That the council tax base, set by the S151 Officer under officer delegations, is 72,608.66 for 2023/24.
- e) The feedback from Overview and Scrutiny Committees on the draft revenue budget and capital programme and responses to recommendations, as set out in **Section A - Part 1** of this report, and general consultation feedback.
- f) The amendments to the revenue budget arising from the provisional settlement, including changes to the savings proposals identified since the December Cabinet report, as set out in section 4.27.
- g) That Members must have due regard to consultation feedback and the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions.

#### 3.2 That Cabinet approve:

- a) The attached report as set out in **Section A - Part 2 and Part 3**: The Findings from Budget Consultation: Financial Year 2023/24+ and Cabinet responses and that Members have had regard to their duties in relation to consultation, and in relation to the public sector equality duty, in forming their budget recommendations.

- b) That delegated authority be given to the S151 Officer to make any necessary amendments, after consultation with the Leader (Portfolio Holder for Finance), to take account of the final local government settlement, final levies and precepts, final grant allocations and final technical guidance or legislation on the budget; and to make any necessary amendments to the statutory determinations and council tax bands to take account of those changes and the resulting final analysis of the budget and for these amendments to be submitted and therefore recommended to Council at its meeting on 23 February 2023, after consultation with the Portfolio Holder for Finance (Leader of the Council).
- c) Approve the policy service changes as set out in section 4.30, Table 1 of this covering report.
- d) That delegated authority be given to the S151 Officer, after consultation with the Leader of the Council and Chief Executive, to agree the council's final contribution to the West Midlands Combined Authority.

3.3 **Cabinet is asked to approve and recommend to Council, subject to receipt of the final local government settlement, final precepts and levies, receipt of final grant allocations, technical/legislative guidance and final specific grant allocations (*substitute figures and resolution to be provided to Council by the S151 Officer to take account of any changes arising from these*) the following:**

3.3.1 Revenue

- a) The financial envelope of resources for 2023/24 as set out in **Section B - Part 1** "The Revenue Corporate Budget Plan and Capital Programme".
- b) A Walsall Council net council tax requirement for 2023/24 of £144.16m and a 2.99% increase in council tax.
- c) That the recommendations of the S151 Officer in respect of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of reserves **be approved**, including the levels of central contingency and an opening general reserve of not less than £16.12m, as set out in the S151 Officer Section 25 statement in **Annex 11** of the Budget Plan.
- d) The (estimated) levies below for outside bodies and Cabinet **approve** that the final figures **be substituted** for these provisional ones once they are available at the Council meeting on 23 February 2023. (An estimate has been used within this report based on informal notification from the authorities).

| LEVY  | AMOUNT (£) |
|---|------------|
| West Midlands Combined Authority Transport Levy | 11,614,200 |
| Environment Agency                              | 85,178     |

- e) The following statutory determinations (references are to the Local Government Finance Act, 1992 as amended), and subject to any final changes arising from receipt of final precepts and levies, receipt of final grant allocations, technical/legislative guidance and final specific grant allocations, **and Cabinet approve that these will be substituted** at the Council meeting on 23 February

2023 for the final figures once received:

- I. **£721,685,138** being the aggregate gross expenditure, which the council estimates for the items set out in Section 31A(2) (a) to (f) of the Act.
- II. **£577,522,096** being the aggregate income which the council estimates for the items set out in Section 31A(3) (a) to (d) of the Act.
- III. **£144,163,042** being the amount, by which the aggregate at (e) (I) above exceeds the aggregate at (e) (II), calculated by the council in accordance with Section 31A(4) of the Act, as its council tax requirement for the year.
- IV. **£1,985.48** being the amount at (e) (III) above, divided by the council tax base of 72,608.66, calculated by the council in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (average council tax at band D).

V. Valuation bands

Being amounts given by multiplying the amount at (e) (IV) above by the number which, in the proportion set out in Section 5 (1) of the Local Government Act 1992, is applicable to dwellings listed in valuation band D, calculated by the council in accordance with Section 30 and 36 of the Act as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

| <b>A</b> | <b>B</b> | <b>C</b> | <b>D</b> |
|----------|----------|----------|----------|
| 1,323.65 | 1,544.26 | 1,764.87 | 1,985.48 |
| <b>E</b> | <b>F</b> | <b>G</b> | <b>H</b> |
| 2,426.70 | 2,867.92 | 3,309.13 | 3,970.96 |

- f) The draft precept from the Fire and Rescue Authority and the Police and Crime Commissioner, issued to the Council in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwelling shown below and Cabinet **approve** that the final figures **be substituted** once they are available at the Council meeting on 23 February 2023.

| <b>PRECEPTING AUTHORITY</b>          | <b>VALUATION BANDS</b> |          |          |          |
|--------------------------------------|------------------------|----------|----------|----------|
|                                      | <b>A</b>               | <b>B</b> | <b>C</b> | <b>D</b> |
| <b>Police And Crime Commissioner</b> | 135.03                 | 157.54   | 180.04   | 202.55   |
|                                      | <b>E</b>               | <b>F</b> | <b>G</b> | <b>H</b> |
|                                      | 247.56                 | 292.57   | 337.58   | 405.10   |
| <b>Fire &amp; Rescue</b>             | <b>A</b>               | <b>B</b> | <b>C</b> | <b>D</b> |
|                                      | 48.68                  | 56.79    | 64.90    | 73.02    |
|                                      | <b>E</b>               | <b>F</b> | <b>G</b> | <b>H</b> |
|                                      | 89.24                  | 105.47   | 121.69   | 146.03   |

- g) That having calculated the aggregate in each case of the amounts at (e) (v) and (f) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the amounts of council tax for 2023/24 for each of

the categories of dwellings shown below and Cabinet **approve** that the final figures **be substituted** once the final precepts are available at the Council meeting on 23 February 2023.

|          |          |          |          |
|----------|----------|----------|----------|
| <b>A</b> | <b>B</b> | <b>C</b> | <b>D</b> |
| 1,507.36 | 1,758.59 | 2,009.81 | 2,261.05 |
| <b>E</b> | <b>F</b> | <b>G</b> | <b>H</b> |
| 2,763.50 | 3,265.96 | 3,768.40 | 4,522.09 |

- h) That notice **be given** of the council tax within twenty one days of it being set by publishing details of the same in the “Express and Star” newspaper circulating in the Authority’s area.
- i) That the S151 Officer **be instructed** to take all necessary action in relation to council tax, community charge and national non-domestic rates, including, where appropriate, the signing of all documents, billing, the giving of notices and the taking of necessary steps to ensure collection thereof.
- j) That the S151 Officer **be given delegated authority** to make transfers to and from reserves in order to ensure that reserves are maintained as necessary and in particular, adjusted when reserves are no longer required, or need to be replenished.
- k) That, pursuant to Section 52ZB and 52ZC of the Local Government Finance Act 1992, the relevant basic amount of council tax for the Council is not excessive in relation to determining whether a referendum is required.

### 3.3.2 Capital

- a) The allocation of capital expenditure plans as set out in **Section B - Part 1** “The Revenue Corporate Budget Plan and Capital Programme” and that the capital and leasing programme as set out in **Annex 9 be approved** bearing in mind the principle that unless affordable from within current resources, specific projects funded by borrowing will not be commenced until a payback agreement is in place. Schemes funded from grant will commence when final allocations are published.
- b) That the S151 Officer be **given delegated authority** to determine how each source of finance is used to fund the overall capital programme and to alter the overall mix of financing as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the council.
- c) That the S151 Officer, after consultation with the Leader (Portfolio Holder for Finance), be **given delegated authority** to release capital resources held back for any contingent items that may arise (earmarked capital receipts for essential or emergency spend), and also for any match funding requirements that may be required of the council in order to secure additional external capital funding (e.g. bids for government or other funding).
- d) The Capital and Investment Strategy set out in **Annex 8** of the Budget Plan **be approved**.

- e) The Flexible Use of Capital Receipts Strategy set out in **Annex 10** of the Budget Plan **be approved**.

### 3.3.3 Treasury Management

1. **Section B – Part 2A** – The Treasury Management and Investment Strategy 2023/24 onwards, including the council’s borrowing requirement, borrowing limits, and the adoption of prudential indicators, **be approved**.
2. That decisions to effect movements between conventional borrowing and other long term liabilities, such as leases, **be delegated** to the S151 Officer.
3. That decisions to use capital receipts or borrowing within the framework of approved prudential indicators **be delegated** to the S151 Officer.
4. **Section B – Part 2B** – Treasury Management Policies, **be approved**.

## 4. Report detail - Know

- 4.1 The council’s budget is a financial representation of the organisation’s plans. It is constructed as an integral part of the council’s planning processes and aligned to its priorities and objectives. The attached Budget Plan at **Section B Part 1** sets out the revenue and capital plans for service delivery for 2023/24 and beyond.

### **Council Corporate Plan priorities**

- 4.2 The budget is the financial plan supporting delivery of the organisation’s key objectives and priorities. The budget process is a four yearly cycle, updated annually, aiming to support delivery of council priorities and outcomes within the available resources. It aims to achieve this through the delivery of efficiencies, income commercialisation reviews, and service reviews and redesign to redirect existing and reducing resources to areas of high council priority in order to deliver the council’s outcomes. This budget has been prepared using the council’s high level purpose and priorities as outlined in the council’s currently approved Council Plan.

### **Risk management**

- 4.3 Budget Plan: The council reviews corporate financial planning and budget principles in accordance with the medium term financial framework (MTFF). The budget setting process includes a comprehensive financial risk assessment to determine key risks and their impact on the budget. Services undertake risk assessments of their services and budgets by identifying risk factors, potential changes to service delivery and funding streams. This ensures that adequate budgetary provision is available to cover unforeseen future events. This successful approach is now embedded and is used to inform the level of earmarked and general reserves.
- 4.4 The identification of risks, and level of reserves, is referred to in the S151 Officer (Chief Finance Officer) **Section 25 statement** at **Annex 11** of the Budget Plan. It is unlikely that all risks identified will arise, however new risks may also emerge. Managers are required to deliver services within their approved budget. Any known changes in service demand or costs arising from legislative or government demands are identified and dealt with within the overall revenue budget. The level of reserves

should be sufficient to cover all but the most unusual of events. Any in-year use of general reserves may require replenishment to ensure the opening level of reserves is as recommended by the MTFE.

- 4.5 A number of our programmes and projects are heavily influenced and dependent upon process and governance at the West Midlands Combined Authority (WMCA), for example our named projects in the City Region Sustainable Transport Settlement (CRSTS) and UK Shared Prosperity Fund (UKSPF). On 16 December 2022, a WMCA Board report highlighted cost pressures arising from transport schemes due to scope changes, construction challenges and inflation. Whilst the cost pressure relating to three inflight schemes totalling £17.8m were approved to be mitigated by use on an un-ringfenced capital grant (Transforming Cities Fund), a number of cost escalation 'early warnings' were also flagged which could equate to a further £153m. Whilst the WMCA expects that this maximum exposure can be mitigated to £85.9m subject to the effectiveness of specific mitigations WMCA intend to deploy, the report asked members to note and accept the risk that in a worst-case scenario where no funding alternatives can be identified or costs avoided, a levy increase or corresponding transport budget savings to the value of circa £11m to £20m would be required. This risk will be continually monitored by transport officers and via the WMCA S151 Finance Director group.
- 4.6 On 14 December 2022 a UKSPF report to our Cabinet highlighted that a greater share of SPF business funding will now be delivered through Local Authorities than was originally proposed, meaning that in 2023/24 the Council will be required to cashflow spend of up to £1m and claim from the WMCA in arrears. While this funding is fully reflected in the Investment Plan agreed with Government, formal spending allocations are annual and there is a theoretical risk that any funding spent at risk by local authorities in 2023/24 might not be reimbursed. It is proposed that this be considered and agreed through delegated authority as part of the ongoing financial discussions between Walsall Council and WMCA.

### **Financial implications**

- 4.7 The council must set a balanced budget to meet its legal requirements as set out under 'legal implications'. This report fulfils that duty and proposes cash limits for services to enable them to deliver the council's key priorities.

### **Legal implications**

- 4.8 The legal duty for a council's finances falls within S151 of the Local Government Act 1972. Arrangements for the proper administration of the council's affairs are secured by the S151 Officer.
- 4.9 Cabinet recommend the revenue budget and capital programme envelope to Council. Councils are responsible for making a calculation in accordance with sections 31A to 37 of the Local Government Finance Act 1992 (as amended). This includes the statutory determinations (aggregate gross expenditure, gross income, council tax requirement for the year and setting the council tax for a financial year).
- 4.10 Under the Local Government Act 2003 (s25), 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 Section 25 statement that deals with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides, together with an assessment of risk. This is provided at **Annex 11** of the Budget Plan.

- 4.11 The Local Government Act 2003 and supporting Regulations require the Council to have regard to the Prudential Code and to set prudential indicators for the next three years to ensure that the council's capital investment plans are affordable, prudent and sustainable. The Act requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act); this sets out the council's policies for managing its investments and for giving priority to the security and liquidity of those investments. This is provided at **Part 2** of the Budget Plan.
- 4.12 In recent years Central Government has capped the level of council tax rises. For 2023/24, the Government have announced that local authorities will again need to seek approval of their electorate via a local referendum if they propose to increase council tax levels by 5% or above as confirmed as part of the provisional local government settlement on 19 December 2022, inclusive of the 2% ring-fenced for Adult Social Care. This report proposes a 2.99% increase.
- 4.13 Section 138 of the Local Government and Public Involvement in Health Act 2007 placed 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 duty to consult that is imposed on councils comes from two other sources:
- Specific legislation, such as the education act duties to consult on certain services etc., and,
  - The common law duty, which is well established in law.
- 4.14 Our approach to consultation was reported to Cabinet in December 2022 and feedback is provided in **Section A - Part 2** of this report.
- 4.15 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. 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.
- 4.16 An Equality Impact Assessment (EqIA) is the chosen procedure, by the council, for checking the lawfulness of decisions in relation to the impact on people with certain characteristics protected by the Equality Act 2010. Equality Impact Assessment analysis is contained in **Section A - Part 3** of this report.
- 4.17 Saving plans, prior to implementation, will include consideration of equality impact, legislative and other requirements, duties or obligations imposed by statute, secondary legislation or guidance upon the council, specifically in the context of proposals which involve changes to service provision.



## **Procurement Implications / Social Value**

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

## **Property implications**

- 4.19 There are no direct implications arising from this report. 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**

- 4.20 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**

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

## **Reducing Inequalities**

- 4.23 Equality Impact Assessment (EqIAs) are undertaken on proposals as they are developed and reported to Cabinet to allow them to consider any revisions required to the final budget for recommendation to Council. Assessing the impact of proposed changes to policies, procedures, services and organisational change is not just something the law requires; it is a positive opportunity for the council to ensure it makes better decisions, based on robust evidence. Failure to meet the requirements in the Public Sector Equality Duty (PSED) may result in the council being exposed to costly, time-consuming and reputation-damaging legal challenges. Equality Impact Assessment analysis is contained in **Section A - Part 3** of this report.

## **Climate Change**

- 4.24 This report is prepared with consideration of the council's Climate Change Action Plan where applicable. Directors are required to ensure proposals are assessed, as appropriate, against the six key areas of the plan: strategy, energy, waste, transport, nature, resilience and adaptation.

## **Consultation**

- 4.25 For our services to meet the needs of local residents, and of the community at large, it is essential that our plans and policies take into account the views of local people and others who use our services. We use a broad range of consultation methods to ensure as far as possible that people have sufficient information to comment, as well as the time and any necessary support they require to enable them to have their say. All feedback gathered is collated and carefully considered, along with other information, as part of the decision making process.
- 4.26 Stakeholder consultation has been undertaken with elected councillors through Overview and Scrutiny Committees, with trade unions via the council's Employee Relations Forum (ERF), national non domestic ratepayers and voluntary and community organisations on the budget and draft council tax increases. Budget consultation has also been undertaken with residents and other stakeholders. Full details of the consultation process and findings is presented in **Section A - Part 2** of this report.

### **Amendments to the Revenue Budget**

- 4.27 Since the draft revenue budget was presented to Cabinet on 14 December 2022, there have been a number of funding announcements and technical changes to the budget; these can be summarised as follows:
- The provisional 2023/24 Settlement was received on 19 December 2022. This confirmed referendum principles for the increase in council tax of 2.99% along with a further 2% precept for social care authorities in 2023/24. A general 2.99% increase was included in the draft budget to Cabinet in December. The administration is not minded to implement the additional 2% increase at this time given the cost of living pressures being faced by our residents, as such this report contains a recommended increase of 2.99%;
  - A number of grants have been removed, reduced or rolled into other grants resulting in a net loss of grant to the council of £2.4m, including New Homes Bonus (reduction of £440k); Lower Tier Services Grant (removal of £471k); Services Grant (reduction of c£1m); and Council Tax Administration, Natasha's Law, and Council Tax Family Annex grants totalling £486k, which have been rolled into the Settlement Funding Assessment, meaning they will no longer be received as a separate grant;
  - Social Care Grant will be £3.85bn in 2023/24. This includes £1.27bn of funding due to delaying the rollout of adult social care charging reform and £161m due to the rolling in of the Independent Living Fund. This equates to £24.49m for Walsall, an increase of £9.3m, which is ringfenced for Adults' and Children's social care. This will fund demand and cost pressures within both services and will also fund care package costs of £818k currently funded from the Independent Living Fund grant which ceases from 2023/24 and will be rolled into the Social Care Grant;
  - The Settlement also confirmed a £300m Adult Social Care Discharge Grant. This funding of £1.99m is required to be pooled as part of the Better Care Fund. The government will set out further details on the conditions of this funding in due course. This was originally estimated as £2.38m in our MTFO, but has now been confirmed as £1.99m, a reduction of £0.39m. It will fund the costs of discharge;
  - For 2023/24, the £162m Market Sustainability and Fair Cost of Care (FCOC) 2022/23 Fund of £966k is rolled into a new ASC Market Sustainability and Improvement Fund, which the government notes is to support the progress local authorities and providers have already made this year on fees and cost of care

exercises. An additional £400m has been announced to address issues such as discharge delays, social care waiting times, low fee rates, and workforce pressures. This equates to £3.35m for Walsall (including the £966k), an additional allocation of £2.39m. There will be reporting requirements placed on this funding regarding performance and use of funding to support improvement against the objectives. We await these. £1.68m of this grant will be used to fund the uplifts in fees, leaving c£710k to be held centrally whilst a plan is worked up by ASC as to its proposed use. As part of the Government's plan, local authorities are to "move towards" paying providers a fair cost of care over the 3 years 2022/25. As part of the 2022/23 grant conditions following the completion of the fair cost of care exercise in 2022 local authorities are required to submit and publish a market sustainability plan to the Department of Health and Social Care by 27 March 2023. In 2022/23 to support the preparations for the move towards paying providers a fair cost of care Local Authorities were required to complete a FCOC exercise utilising two nationally prescribed costing tools for Nursing & Residential Care (age 65+), and the Domiciliary Care Market (age 18+) to determine the median fee rates based on submissions received from providers. These rates from the fair cost of care exercise will be taken into consideration to inform future fee rates setting with the aim to work towards achieving a FCOC by the Council in future years;

- £736k of new Council Tax Support Grant funding for 2023/24 to support economically vulnerable households with the majority expected to be used to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25;
- £134k of Homelessness Prevention Grant to deliver the following priorities:
  - Embed the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness;
  - Reduce the number of families in temporary accommodation by maximising family homelessness prevention;
  - Reduce the use of bed and breakfast accommodation for families and eliminate family B&B placements beyond the statutory six-week limit.
- Pensions Valuation – the draft pension valuation for the 3 years commencing 2023/24 has been received from the West Midlands Pension Fund (WMPF) and reviewed. The Fund has refined its approach to setting contribution rates at this valuation, now adopting a risk-based approach to be able to calculate individual employer contributions relative to their own circumstances and risk. Whilst the primary contribution (for those employees currently paying into the fund) has increased by 1.4% from 20.3% to 21.7%, the secondary contribution of 3.9% (previously paid to the WMPF as a lump sum payment rather than based on a % of the pensionable pay bill) has reduced. Overall, adjusting for forecasts increases in the pensionable pay bill for the next 3 years, this releases c£5.18m of employer contribution costs. The contribution rates are yet to be finalised, as such it is prudent to provide some contingency for fluctuations in the pay bill.
- Additional investment in services, including;
  - Reduction in £397k discharge funding within Adult Social Care following finalisation of the grant allocation;
  - Funding for two additional posts within Multi Agency Safeguarding Hub (MASH) of £120k, due to demand data and recent inspection outcomes (to address the capacity issues regarding social workers in the MASH/Initial Response Service (IRS));
  - Increased funding of £207k for contractual inflation following review, covering mainly highways related contracts;

- Increased demand and cost pressures within Adult Social Care (c£4.52m) and Children's Services social care (£2.90m);
- Reallocation of pay to services to fund the ongoing impact of the approved 2022/23 pay increase.
- Finalisation and approval by the S151 Officer, under delegations, of the council tax base and NNDR1 (business rates) return in January 2023;
- A number of transfers to/from reserves to smooth financing of one-off costs.

4.28 The impact of the overall changes since December 2022 on the MTFO and savings requirement is shown below, resulting in a revised saving requirement for 2023/24 of £15.71m (reduced from £16.30m).

| <b>Movement in savings requirement - detail</b>         |                |                |                |                 |              |
|---|----------------|----------------|----------------|-----------------|--------------|
|   | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27*</b> | <b>Total</b> |
|   | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>       | <b>£m</b>    |
| <b>Savings required per Cabinet on 14 December 2022</b> | <b>16.30</b>   | <b>16.95</b>   | <b>13.41</b>   | <b>9.38</b>     | <b>56.04</b> |
| <b>Funding changes</b>                                  |                |                |                |                 |              |
| Core funding changes                                    | (5.26)         | (4.94)         | (0.10)         | (0.10)          | (10.40)      |
| Collection Fund changes                                 | (1.22)         | 1.22           | 0.00           | 0.00            | 0.00         |
| Change in tax base                                      | (0.31)         | (0.01)         | (0.01)         | (0.01)          | (0.34)       |
| Other changes including grants / income                 | 1.39           | (3.70)         | 0.02           | 0.02            | (2.27)       |
| Transfer to / from reserves changes                     | 6.59           | (6.44)         | (0.07)         | (0.08)          | (0.00)       |
| <b>Changes to investment / growth</b>                   |                |                |                |                 |              |
| <b>Service investment / pressures</b>                   |                |                |                |                 |              |
| - service investment changes                            | (0.09)         | (0.37)         | (0.02)         | (0.02)          | (0.50)       |
| - re-categorisation of pay to services                  | 6.35           | 0.00           | 0.00           | 0.00            | 6.35         |
| - re-allocation of central pressures to services        | 7.42           | 4.35           | 0.00           | 0.00            | 11.77        |
| <b>Central pressures</b>                                |                |                |                |                 |              |
| - re-categorisation of pay to services                  | (6.35)         | 0.00           | 0.00           | 0.00            | (6.35)       |
| - re-allocation of central pressures to services        | (7.42)         | (4.35)         | 0.00           | 0.00            | (11.77)      |
| - central pressures - other                             | (1.69)         | 5.39           | 0.00           | 0.00            | 3.70         |
| <b>Savings identified / to be identified</b>            | <b>15.71</b>   | <b>8.10</b>    | <b>13.23</b>   | <b>9.19</b>     | <b>46.23</b> |

4.29 This revenue budget report presents a balanced budget subject to successful delivery of the £15.71m of identified benefits in 2023/24. The following summarises the changes made to the savings from those reported in December 2022, a reduction of £585k in 2023/24:

- OP12 - £205k utilisation of public health grant moved to changes in grant funding (categorisation change only);
- OP 56 - £70k included for depot utilisation as part of changes to recycling removed following further review into deliverability;

- P11 – Modified winter maintenance of £30k moved from a Policy to Operational decision (categorisation change only - renumbered saving OP66) as there is no direct impact on the service;
- P1 – Removal of the proposal to outsource Mobile / Home Library Service (£155k) following Cabinet's review of consultation and equality impact assessment;
- P2 - £152k reduction in saving for review of Citizens Advice grant following Cabinet's review of consultation and equality impact assessment;
- P8 – Removal of the proposed introduction of a charge for disabled parking bays (£3k) following Cabinet's review of consultation and equality impact assessment.

4.30 The draft revenue budget contained 13 policy proposals in respect of 2023/24, and 67 operational savings. Feedback from consultation and equality impact assessment has been considered by Cabinet and 12 revised policy proposals are set out within this report (**Section A - Parts 1, 2 and 3**). Cabinet are asked to approve the policy decisions as set out in **Table 1** overleaf (under the heading Executive (Cabinet) Decision) and instruct Executive Directors to implement the resulting decision.

| <b>Table 1: Summary of revised policy savings and the Executive (Cabinet) decision</b> |   |                      |                          |  |
|--|---|----------------------|--------------------------|--|
| <b>Saving ref</b>  | <b>Policy Saving Consulted on</b>   | <b>2023/24<br/>£</b> | <b>Decision required</b> | <b>Executive (Cabinet) Decision</b>  |
| <b><i>Children's &amp; Customer Services</i></b>                                       |   |                      |                          |  |
| <b>P2</b>  | Expiry of Sandwell & Walsall Citizen Advice (CAB) £240,000 grant funding agreement  | (88,200)             | Y                        | To approve a revised saving of £88,200 and a reduced grant allocation of £156,800 per annum to Citizen's Advice Sandwell and Walsall, to deliver a face-to-face advice for residents in need of complex welfare benefits advice and tribunal support (thus mitigating the key risks identified in the equality impact assessment). |
| <b><i>Economy, Environment and Communities</i></b>                                     |   |                      |                          |  |
| <b>P1</b>  | Outsource Mobile / Home Library Service   | (155,000)            | N                        | Not applicable: Cabinet have withdrawn this proposal following consultation and equality impact assessment considerations.   |
| <b>P3</b>  | Outsource Outdoor Pursuits Service to a community group   | (23,776)             | Y                        | Approve the proposal.  |
| <b>P4</b>  | Increase in bulky waste charges from £10 to £30 for up to 3 items, £50 for 4-6 items and £70 for 7-9 items  | (136,000)            | Y                        | Approve the proposal.  |
| <b>P5</b>  | Reduce grass cutting frequencies  | (40,000)             | Y                        | Approve the proposal.  |
| <b>P6</b>  | Rewilding of all urban grassed areas - to manage public grassed open spaces and verges for biodiversity rather than visual appearance. Most areas would only receive one cut per year; however pitches, visibility splays, paths and edges would be cut more often. | (352,348)            | Y                        | Approve the proposal.  |
| <b>P7</b>  | Increase resident and business parking permit charges by 20%  | (3,300)              | Y                        | Approve the proposal.  |
| <b>P8</b>  | Introduce charge for advisory disabled parking bays [£90 one off to align with Sandwell]  | (2,850)              | N                        | Not applicable: Cabinet have withdrawn this proposal following consultation and equality impact assessment considerations.   |
| <b>P9</b>  | Part night lighting - reduce energy consumption by 20%  | (40,000)             | Y                        | Approve the proposal.  |
| <b>P10</b>   | Garden waste collection - 2 weekly from May-Nov   | (100,000)            | Y                        | Approve the proposal.  |
| <b>P11</b>   | Modified winter maintenance service - the same roads will be gritted but split into 5 routes rather than 6  | (30,000)             | N                        | Moved to operational saving (No. OP66) given no direct impact on service.  |
| <b>P12</b>   | Parking dispensation charging of £15 per vehicle per day  | (19,500)             | Y                        | Approve the proposal.  |
| <b>P13</b>   | Reintroduce staff parking charges – reduction from £45 to £15 per month   | (18,000)             | Y                        | Approve the proposal.  |

## **Amendments to the Capital Programme**

4.31 The draft capital programme was set out in the report to Cabinet on 14 December 2022, totalling £110.09m for 2023/24. The programme has increased by **£110.92m** to £221.01m in 2023/24 with the following additions:

- Inclusion of a number of proposed carry forward schemes from 2022/23 totalling £121.06m (£58.91m council funded and £62.15m external funded) – net change of £105.74m in 2023/24 (£15.32m was already estimated for pipeline development);
- New external funding allocation published of £77k for Family Hubs and Start for Life Programme;
- New external funding allocation of £2.34m in 2022/24 for Low carbon heating project for Civic Centre, Town Hall and Council House (with £1.33m in 2024/25);
- New external funding Levelling Up allocation of £2.76m in 2023/24 to kickstart the delivery of 500 new homes connecting local people in Willenhall to jobs, parks and new rail station (with £17.23m in 2024/25).

## **Treasury Management and Investment Strategy for 2023/24 Onwards, and Capital Strategy**

4.32 The Treasury Management Code of practice requires regular reporting of treasury management performance and practice, with minimum reporting requirements set out.

This report provides two of these requirements, in the form of the annual Treasury Management and Investment Strategy at Part 2A and Treasury Management Policies at Part 2B. It also meets the requirement for the authority to produce and publish a Capital Strategy each year, which demonstrates how capital expenditure, capital financing and treasury management activity contribute to the provision of desired outcomes and takes account of stewardship, value for money, prudence, sustainability and affordability.

Whilst there have been some prescribed changes to the strategies, due to the update of both the Treasury Management Code and Prudential Code in December 2021, these are not significant overall (and are summarised in the Background section of the report), borrowing and investment objectives have also been updated to reflect both the current interest rate environment, with significant increases to the Bank of England Base Rate during the year due to an increase in inflation, and also the projected financial position for each year that the strategy covers.

The main changes that members should note as part of the updates to these objectives are as follows:

- Affordability Indicators:
  - The target for L5 (average interest rate paid on debt) has increased from 3.69% to 4.21% due to underlying increases in the Bank of England base rate and assumed impact on new borrowing required to support the council's approved capital programme.
- Investment Objectives:
  - The targets for L8, L9, L10 and L11 (average interest rates received on investments), have all been increased from 2022/23 to 2023/24 to reflect the council's current investment performance and the fact that the Bank of England base rate is currently forecast to continue to remain at a higher level over the next few years.

## **5. Decide**

- 5.1 As set out in the legal section, Councils are required to set a legal budget. This report is the final stage in that process and Cabinet are asked to approve the recommendations as set out, and recommend the budget to Council on 23 February 2023 for formal approval of the 2023/24 statutory determinations and council tax levels.

## **6. Respond**

- 6.1 Following recommendation by Cabinet, this budget report and plan will be forwarded on for formal approval by Council on 23 February 2023.

## **7. Review**

- 7.1 Following approval by Council on 23 February 2023, the 2023/24 budget will be formally set and monitored throughout the year. Council tax bandings will be set and bills formally produced and distributed in accordance with approved guidance.

## **Background papers**

- Various financial and working papers;
- Corporate Budget Plan 2022/23 to 2025/26, incorporating the Capital Strategy; and the Treasury Management and Investment Strategy 2022/23 Onwards – Council 24 February 2022;
- Corporate Financial Performance 2022/23 and approach to Budget Setting for 2023/24 - Cabinet 20 July 2022;
- Draft Revenue Budget and Draft Capital Programme 2023/24 – 2026/27, including the impact of the Autumn Statement 2022 – Cabinet 14 December 2022;
- Settlement data;
- Equality Impact Assessments.



**Authors:**

Vicky Buckley, Head of Finance and Assurance, ☎ 01922 652326 / 07983 604698,  
✉ [Vicky.Buckley@walsall.gov.uk](mailto:Vicky.Buckley@walsall.gov.uk)

Stuart Wootton, Financial Planning Manager, ☎ 01922.652348,  
[stuart.wootton@walsall.gov.uk](mailto:stuart.wootton@walsall.gov.uk)



**Deborah Hindson**  
**Interim Executive Director (s151 Officer)**  
31 January 2023



**Councillor M. Bird**  
**Leader of the Council**  
31 January 2023

## **Section A - Part 1 - Report on findings from Overview and Scrutiny Committees**

1. Overview and Scrutiny Committees received the draft revenue and capital proposals in January 2023, with feedback considered by Cabinet as part of finalising proposals within this report.

This section summarises the comments and recommendations from each Committee and, where applicable, Cabinet's consideration of these.

### **2. Scrutiny Overview Committee – 7 February 2023**

*As the Overview Scrutiny Committee meeting is taking place after despatch of this report, any feedback on the Committee's response to the draft proposals will be tabled.*

### **3. Education Overview and Scrutiny Committee – 12 January 2023**

- 3.1 The Portfolio Holder for Education and Skills gave a brief introduction to the report and highlighted the salient points. He highlighted £4.7m of investment and cost pressures, the saving proposals, and the proposed draft capital programme spending. The Chair then invited the Finance Business Partner for Children's Services (Access and Inclusion & Admin Hub) who outlined briefly what each attached appendix showed. There was no further discussion on the item.

#### 3.2 The Committee Resolved:

That the Committee noted the draft revenue budget proposals and draft revenue capital schemes.

### **4. Social Care and Health Overview and Scrutiny Committee – 19 January 2023**

- 4.1 Further to a presentation by the Lead Accountant for Adult Social Care and Public Health, Members considered the draft budget proposals in detail. Members raised concern and sought assurances on a number of proposals as set out within the report as follows:-

- Appendix 2 - Operational proposals 2023/24 – 2026/27

Members sought clarification as to how savings would be achieved and (should they be realised) how this would affect the services delivered by the Council.

Officers assured Members that savings could be achieved through improved income generation and early intervention.

- Impact of planned savings of £2.25m in 2023/24

The Committee sought assurance that planned savings of £2.25 million over the financial year 2023/24 would not have a detrimental effect on the welfare and wellbeing of residents who use Council social care services.

Officers informed Members that the proposed savings had been informed by a strength-based approach. This would help the Council to ensure that residents receive the most appropriate level of support, enabling them to maintain as much independence as possible, whilst reducing overdependency on services.

The Portfolio Holder for Adult Social Care emphasized that levels of care provided was set out within the Care Act 2014. The Council was seeking to implement a new way of working which would deliver better care for residents.

- OP15 - 'Income generation review of grants – Section 75 grant',

Members raised concern at the level of debt between the ICB (Integrated Care Board) and the Council.

- Presentation of the budget proposals

The Committee felt that the way in which the report was drafted could lead to confusion as some proposals, listed as savings, were to be achieved by increased income generation.

Officers clarified that some proposals were classed as savings because they were a continuation of income made in the previous financial year. In addition, the Council was in negotiation with partners, such as health, on the delivery of care which could lead to cost recovery which would be included as savings.

Whilst accepting the explanation of both Officers and the Portfolio Holder in relation to the above matters, concern remained at the level of proposed savings. The Committee were unable to support them in their current form.

#### 4.2 The Committee Resolved that:

1. Cabinet be advised that the Committee is unable to support the savings listed in the 'Summary of Operational Proposals by Outcome 2023/24 – 2026/27', contained with Appendix 2.
2. That the draft revenue budget proposals and draft revenue capital scheme be noted.

### **5. Children's Services Overview and Scrutiny Committee – 30 January 2023**

- 5.1 *As the Children's Services Overview and Scrutiny Committee meeting is taking place at the time of despatch of this report, any feedback on the Committee's response to the draft proposals will be presented to Cabinet on 8 February.*

**6. Economy and Environment Overview and Scrutiny Committee – 2 February 2023**

- 6.1 *As the Economy and Environment Overview and Scrutiny Committee meeting is taking place after despatch of this report, any feedback on the Committee's response to the draft proposals will be presented to Cabinet on 8 February.*

## **Section A - Part 2 - Report on findings from Budget Consultation**

### **1. Background**

- 1.1 Each year Walsall Council undertakes public consultation in preparation for the budget setting process. Residents, partners and other key stakeholders were invited to have their say on draft budget proposals for 2023/24 to 2026/27 where applicable.
- 1.2 Section 138 of the Local Government and Public involvement in Health Act 2007 placed 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.

### **Approach to consultation**

- 1.3 Information on the draft proposals was made available in the 14 December 2022 Cabinet report and on the council's website at:  
[www.walsall.gov.uk/budgethaveyoursay](http://www.walsall.gov.uk/budgethaveyoursay)
- 1.4 Consultation with a range of stakeholders, including residents, Non-Domestic Rate Payers, voluntary and community organisations, Councillors and other key stakeholders took place between 15 December 2022 and 15 January 2023.

### **Communications and promotion**

- 1.5 The consultation was announced in a news item on the council's website (615 views) and was promoted on social media on the corporate Twitter and Facebook accounts. Facebook achieved 12.4k impressions (the total number of times a post has been displayed in a social feed), 252 engagements (comments, likes or shares) and 227 total clicks, Twitter 4.21k impressions, 136 engagements and 3 clicks.
- 1.6 Information about the proposals was provided and further information could be sought on request.

### **Methodology**

- 1.7 Consultation has, as far as possible, been designed to be appropriate to the audience and to facilitate informed comment. In doing so the needs of particular groups and communities have been considered, alternative formats and support to respond were made available on request. A dedicated budget email address and phone line was made available for people to call for further information or to make a comment.

- 1.8 The 14 December Cabinet report - Draft Revenue Budget and Draft Capital Programme 2023/24 – 2026/27 included 13 policy proposals and 65 operational proposals for consultation.
- 1.9 The majority of operational proposals tend not to impact directly on the public as the changes are 'behind the scenes'. While operational proposals are savings that do not require Cabinet approval or formal consultation, public comments and feedback were sought as part of consultation on the wider budget.
- 1.10 Central to the consultation is to understand how the draft proposals, if approved, may impact on people / communities and to seek alternative suggestions for how the savings could be made. Feedback on all proposals was gathered via a short generic online questionnaire. Each proposal had a reference number allowing respondents to identify the proposal(s) they wished to comment on. Where appropriate respondents were asked about their use of the service followed by 3 key questions:
- What is your overall opinion on this operational proposal? (support, support but with concerns / amendments, do not support)
  - How if at all, might this proposal affect you?
  - Do you have any alternative suggestions for how this saving could be made or income generated?
- 1.11 By the closing date 706 responses had been received via the online survey and paper surveys. 16 emails received.
- 1.12 A letter of objection was received from Valerie Vaz MP in relation to proposal P2 Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement. Wendy Moreton MP also wrote expressing appreciation for the difficult budget decisions that are required and asked to be kept apprised of the decision making for proposal P2.

## **Petitions**

- 1.13 No petitions have been received.
- 2. Summary of feedback – policy proposals, operational proposals, capital investment, increases in council tax (All respondents)**
- 2.1 An online survey was made available on the council's website from 15 December 2022 until 15 January 2023. In addition paper surveys were also distributed to users of the mobile and home delivery library services during this time.
- 2.2 By the closing date 706 responses had been received. 654 people (93%) were residents of Walsall, 4 respondents were business representatives, 13 community and voluntary sector representatives. Other responses were received from those representing housing (4 people), education (1 person), 10 council employees and 10 'other'.

- 2.3 Results are reported on the basis of the number of people who answered the specific question. Note that not all questions were mandatory and the number of respondents to each question varies. The number of responses to some individual proposals are low and therefore %s treated with caution.
- 2.4 Respondent demographics were collected on a voluntary basis and have been shared as part of the Equality Impact Assessment (EqIA) process.

### **Draft policy proposals P1 to P13**

- 2.5 All 13 draft policy proposals were consulted on via the online survey plus paper questionnaires were issued for P1 Outsource home / mobile library. Detailed summaries of feedback from consultation plus EqIA information is provided on the council's budget consultation webpages,

<https://go.walsall.gov.uk/your-council/consultations/budget-consultation/have-your-say-budget>

A quick reference table is provided on the next page.

2.6 Table 1. Quick reference summary table of consultation and EqIAs

| Proposal Ref | Savings Proposal   | 2023/24<br>£ | Responses<br>*note some very low bases | General feeling emerging from consultation | PPS EqIA |
|--------------|--|--------------|--|--|----------|
| P1           | Outsource Mobile / Home Library Service  | 155,000      | 588                                    | 93% Against                                | D        |
| P2           | Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement        | 240,000      | 97                                     | 85% Against                                | C        |
| P3           | Outsource Outdoor Pursuits Service   | 23,776       | 18                                     | 44% Support                                | B        |
| P4           | Increase in bulky waste charges  | 136,000      | 40                                     | 75% Against                                | C        |
| P5           | Reduce grass cutting frequencies   | 40,000       | 39                                     | Divided                                    | B        |
| P6           | Rewilding of all urban grassed areas   | 352,348      | 29                                     | 41% Support                                | A        |
| P7           | Increase resident only, business parking and season ticket permit charges by 20% | 3,300        | 18                                     | Divided                                    | A        |
| P8           | Introduce charge for advisory disabled parking bays                              | 2,850        | 17                                     | Divided                                    | C        |
| P9           | Part night lighting - reduce energy consumption by 20%                           | 40,000       | 34                                     | 47% Support                                | B        |
| P10          | 2 weekly collection of garden waste  | 100,000      | 37                                     | Divided                                    | A        |
| P11          | Modified winter maintenance service  | 30,000       | 18                                     | 56% Support                                | N/A      |
| P12          | Parking dispensations - £15 per vehicle per day                                  | 19,500       | 15                                     | 60% Support                                | A        |
| P13          | Reintroduce staff parking charges – reduction from £45 to £15 per month          | 18,000       | 33                                     | Divided                                    | A        |



## **Operational proposals**

- 2.7 Four respondents commented on a handful of operational proposals. Feedback has been shared with the relevant services.

## **Capital Investment**

- 2.8 Twenty-four respondents made comments about the capital programme. Some reiterated the need to maintain services that are subject to policy proposals (P1 outsource mobile/ home library and P2 Expiry of CAB grant). Others highlighted the need to prioritise social care, and the health and wellbeing of residents.

*“The health of residents needs prioritising. Investment in gym and pool facilities, especially for disabled residents. Improving resident health takes pressure off other services.”*

- 2.9 Supporting and investing in Walsall Town centre was seen by some as a key priority for capital investment as well as attracting the right businesses to locate in the borough.

*“We need to look at concentrating on businesses and how we can encourage right businesses to come to Walsall for business and attract more public. We need to be looking at building a secure environment for the people and visitors of Walsall.”*

*“For me the priority is the town centre, especially at night, it does not feel like a safe or attractive place to visit.”*

*“Walsall is in great need of more central government funding if the town centre and essential services are to be improved. I urge councillors to keep lobbying for this.”*

- 2.10 Some query the investment in council buildings, particularly as occupation is reduced with staff working from home.

*“Would question why investment is required in Council House when most staff now work from home.”*

*“Make a decision to either open the Civic centre fully (before COVID levels) or close it completely. Having a halfway house approach not only serves as a massive drain on resources but also could potentially bring in considerable revenue from being sold or offered for lease. Explore the potential of placing staff in community associations to increase efficiency and other council owned buildings such as the town hall.”*

## **Thoughts on paying more council tax to help protect services**

- 2.11 The online survey also sought feedback on paying a bit more council tax, in particular an increase of 2.99% in general council tax and a further 2% Adult Social Care Precept. Details and figures were provided.

2.12 The majority of respondents who answered the question do not want to see council tax increased by 2.99%. Results show that 65% (112 people) do not support a general council tax increase of 2.99%. However, 35% (60 people) did support a 2.99% increase.

2.13 Comments from respondents who did not favour an increase in general council tax focus on it not being affordable to them and others, particularly amid a cost-of-living crisis. Some say the increase is too much and that they already pay too much / more in comparison to neighbouring authorities. Some people feel they are paying more each year and getting less in return.

2.14 Comments include...

*"You say that the majority of houses in the borough are in Bands A and B - unfortunately, these are the people who feel the increase in council tax the most. Many of these people are on minimum wage or earn well under the average salary and knowing that there will be an increase in council tax every year, especially when council services are slightly reduced, is a source of anxiety for many people. I don't believe council tax should be increased so that it can be more in line with other neighbouring authorities. I don't see why Walsall has the highest council tax rates in the local area."*

*"With the cost-of-living increase, we can ill afford any more."*

*"This is fast becoming unaffordable for more and more people. In the current economic climate this would push more residents into poverty."*

*"It will impact the majority of residents, many whom from your stats live in smaller houses at the lower end of the Council tax banding and suggesting least likely to be able to afford the increase."*

*"Services are being cut, why should we pay more for less?"*

2.15 The 60 respondents in favour of a 2.99% increase recognise the increasing cost pressures the council faces and the need to maintain services. Some feel the increase is good value for money and the impact on households minimal.

*"To cover the increased cost pressures faced by the council, and to ensure essential services can be maintained."*

*"Instead of cutting other vital services it's better to contribute a bit more to the council for it to provide the same services."*

*"Because costs are increasing for the council and it's important that the council is able to deliver its services to us all."*

*"For most people who live in normal sized properties the increase would be minimal, but in an ideal world, an increase would not be necessary."*

*“Costs are increasing with inflation, only increasing the Council Tax by 2.99% is a bargain, it should increase by more to avoid cuts in provision of services.”*

2.16 In terms of a 2% Adult Social Care Precept, 27% (40 respondents) say yes apply it and 73% (110 respondents) say do not apply it.

2.17 On top of a 2.99% general increase, affordability is an even greater concern and too much for many people.

*“People can’t afford a general increase and then this on top.”*

*“A 2.99% would be completely worrying for lower paid residents especially.”*

*“In the current financial situation this would be too much extra money in one rise. Many are struggling to meet their existing commitments, and some get little or no help from Central government / benefits. Especially the elderly and low-income working families.”*

*“People are struggling to pay bills at the moment, so whilst I accept that there will be some increase, I feel that this is too much.”*

*“Already people are at a breaking point financially so applying an additional 2% on top of the proposed 2.9% would break the camel’s back!”*

2.18 Of those who supported the precept, comments made mentioned the importance of supporting social care services which many feel is underfunded and struggling to meet needs.

*“Because social care is important, and the money can’t be found in the existing budget without an increase.”*

*“This sector clearly requires a significant increase in funding to begin to address growing demand.”*

*“It’s a hard decision and would be a hard one for residents to swallow, but the ASC crisis hasn’t even hit yet, and the council needs to be in as strong a position as possible to support tomorrow’s vulnerable citizens.”*

*“We have a major social care crisis at the moment and need money to fund care.”*

*“This is an area that we do need to spend on. It will affect everyone at some point.”*

*“There needs to be more funding in Adult Social Care, there are too many elderly and vulnerable people who need extra support, and the system is struggling to provide it.”*

- 2.19 Most respondents say paying more council tax will have a big impact on them, with 66% (172 people) say paying a bit more council tax will have a big impact on them, 29% (75 people) say some impact. 4% said no impact.

### **Statutory consultation on the draft budget and council tax (NDRP)**

- 2.20 As part of the council's statutory duty to consult<sup>1</sup> with representatives of local non-domestic ratepayers (NDRP), businesses and community and voluntary organisations were invited to have their say on the current and preceding years' expenditure proposals, as well as the proposed council tax increase for 2023/24.
- 2.21 On 15 December 2022, emails outlining the draft budget and explaining the adult social care precept were distributed electronically to 3,947 businesses and to 320 community and voluntary organisations via One Walsall. As well as providing a link where further information could be found the communication invited people to have their say via the online survey.
- 2.22 By the final closing date of 15 January 2023, 4 responses from business representatives had been received and 13 from community / vol sector organisations including Walsall CAB, whg, a school and a community resource centre.

*"I strongly agree with the proposed council tax rise and would also support the additional rise to cover social care. It's about time we had a grown-up conversation regarding the chronic yearly underfunding from central government. It's appreciated the council is in a position of receiving yearly cuts to its core funding from central government and whether right or wrong (I think wrong), the council has to properly fund social care."*

### **Draft Policy Proposals (NDRP)**

- 2.23 15 NDRP respondents fed back on P2, Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement, 13 of them not supporting the proposal. As some responses were from employees of the CAB itself, understandably comments mentioned the loss jobs, but comments also provided their thoughts on the perceived impact the proposal might have on residents.

*"I work at Citizens Advice, the loss of advice services to the residents we see will be devastating. We help people in extreme need and fuel poverty, the cost of living will affect people even more, we are able to offer grants, support advice and relief."*

*"Citizens Advice has been providing support for over 20 years and is a recognised and go to advice provider with people who have a good understanding of housing, benefits and debt to support people. To cut the grant at a time where people are struggling with the cost of living and food poverty is a ridiculous decision."*

*"This will affect everyone who are working for Citizens Advice as well as the clients we see on the daily basis. Our clients need our support, and we have a lot of people in desperate need showing at our door daily in hope we can help which we are proud to be there."*

*"I regularly support CA Walsall and have often commented on just how busy the service is based on the number of clients who drop into the walk-in service there. Clients have so regularly stated that they just do not know what they would have done or how they would have managed without the help of Citizens Advice. As an area of deprivation, I think it is essential to have Citizens Advice running and fully funded to support your community, especially through one of the most difficult times of crisis our country has had to face."*

- 2.24 One comment in support of the proposal said that alternative sources of help and advice were already available.

*"I live and work in Walsall. There are other organisations that can help the public with letters, calls etc that get funding from other sources not the council. The public won't lose out, but if we have to pay more to keep the service, people will struggle even more."*

- 2.25 When asked for alternative suggestions, respondents ask that the council maintains funding for the CAB instead of spending money on other 'less important' services such as refurbishing toilets.

*"A large sum of money is being spent on "revamping" public toilets - is this as necessary during a recession and the cost-of-living crisis as having a local free advice service?"*

*"I understand that this is a massive 'saving' the council could make however those services are crucial to our client, we are their last hope in helping with their issues, so I believe it is good investment into our community."*

*"Look to reprioritise the capital budget proposals and the plans to refurbish 2 public toilets is the whole CAS&Ws budget for year."*

- 2.26 One business representative expressed full support for P6 - rewilding of all urban grassed areas and P9 - Part night lighting – reduce energy consumption by 20%, commenting;

*"Reduce the over use of street lights - I firmly believe there are way too many and some could be switched off all together through the night."*

- 2.27 One business representative expressed concerns for P11 - Modify winter maintenance service;

*"We provide community care workers. Reducing the routes may mean that it would take longer to respond or grit roads causing operational delays in what is already an extremely pressured sector."*

- 2.28 The same business representative did not support P12 parking dispensations - £15 per vehicle per day, but did not comment and they did not support P13 - Reintroduce staff parking charges – reduction from £45 to £15 per month, saying;

*“I think it is reasonable and fair to expect that council staff pay the same as other tax payers in the borough.” And that “by aligning parking costs with the public it would actually generate funds.”*

### **Operational proposals (NDRP)**

- 2.29 A limited amount of feedback on operational proposals was received and this has been shared with services for review.

### **Paying more council tax to help protect services (NDRP)**

- 2.30 Most respondents, 8, do not support a 2.99% increase, 4 respondents do support it. 5 did not know.

*“Individuals are already struggling with increased inflation, static income and growing personal debt. The increase will be unaffordable for many residents.”*

*“Because Walsall's Council tax is already one of the highest in the West Midlands and yet we see no improvement in services for this increased charge. With the cost of living having such a huge impact local residents of Walsall cannot afford to pay any more on their Council Tax when they currently cannot even afford to heat their homes.”*

- 2.31 Comments from NDRP in support of a general council tax increase of 2.99% mention the need to raise additional funds to invest in services.

*“It is necessary to raise additional funds and this is a proportionate and measured way of doing so. The most deprived in our communities already have support in terms of housing/council tax etc and the remainder of our communities have several different ways of budgeting for this increase and have support available to them if they need it.”*

*“Collect as much as you can in order to invest in local services for residents.”*

*“On the grander scale of things it is not a huge amount when you consider what is expected in return.”*

*“I think we will be getting away lightly with a 3% rise in council tax so its fully supported, especially in view of ever shrinking core funding received from central government.”*

- 2.32 Six NDRP respondents do not support a 2% precept for social care, with 2 supporting it. 7 did not know.

- 2.33 Only comments in support of the precept were made;

*“Adult social care is on its knees and Walsall are one of the lowest fee-paying LA's in the country.”*

*“The need for support for people within our communities has never been greater.”*

### **Trace Union Consultation (via ERF)**

2.34 The trades unions were briefed on the budget on 21 December 2022 and were asked to provide any feedback. On 24 January 2023, UNISON provided feedback on whether the Council decided to take the 2% adult social care precept. The union requested feedback on the following:

- a clear rationale and transparency for whatever decision is taken;
- provision of an assessment of the impact not taking the extra 2% will have on Adult Social Care for the residents of Walsall, and;
- a breakdown on the extra cost to residents of taking the extra 2%.

## **Section A - Part 3 - Report on findings from Equality Impact Assessment**

### **1 Introduction**

1.1 All managers responsible for savings proposals outlined in the draft budget report to Cabinet on 14 December 2022 were requested to carry out an assessment of each proposal.

1.2 An Equality Impact Assessment (EqIA) is the Walsall Council chosen procedure for checking lawfulness of decisions in relation to the impact on people with certain characteristics protected by the Equality Act 2010. These are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation

Since 2021, Walsall Council introduced 3 further categories to reflect the new legislation (Armed Forces Act 2021) and other benchmarked best practice. These are:

- Armed Forces
- Care Responsibilities
- Health, Social and Economic inequalities

#### **1.3 Information required in the EqIA**

EqIA must contain relevant data and sufficient analysis to enable members to understand the equality implications of a proposal and any alternative options. It must have satisfactory and appropriate information and be presented to decision makers in time for them to understand the effects of the proposal on people with protected characteristics. It must also;

- Consider whether action can be taken to mitigate any identified potential adverse impacts. Some proposals will affect everyone, but others will affect people from different equality groups;
- Consider whether action can be taken to enable the policy or decision to advance equality of opportunity for people who share a relevant protected characteristic;
- Request further research, consultation, or action is necessary.



#### 1.4 What course of action does the EqlA suggest?

An EqlA should clearly identify the option(s) chosen and their potential impacts as well as 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. To make this judgement, concrete evidence must be provided that people with protected equality characteristics (all groups) will not be affected adversely.

##### **B - Adjustments are needed to mitigate adverse impact and to better promote equality**

A plan is required which must include specific deadlines for actions to be completed in order for the decision to be implemented, e.g. alternative ways of providing the service, signposting to other providers and ongoing monitoring of the impact. If there are further concerns following adjustments, the decision must be reviewed, and action taken.

##### **C - Continue despite possible adverse impact**

Compelling reasons will be needed, and mitigating actions are required to minimise adverse impact. An action plan is required which must include specific deadlines by which mitigating actions need to be completed in order for the decision to be implemented, e.g. alternative ways of providing the service, signposting to other providers and ongoing monitoring of the impact. If there are further concerns following adjustments, the decision must be reviewed, and action taken.

##### **D - Stop and rethink the proposal**

When an EqlA shows actual or potential unlawful discrimination and needs to be reviewed immediately.

## **2. Evaluation of EqlAs**

- 2.1 Cabinet, on 14 December 2022 agreed a summary of revenue savings for consultation. All managers responsible for policy proposals, and operational proposals with the confirmed requirement for EqlAs, were requested to carry out an assessment. 13 policy proposals and 65 operational proposals were considered for their impact on protected characteristic groups. Each of the proposals had an equality screening and 12 policy proposals and 19 operational proposals were considered necessary or having the potential to undergo an impact assessment process. Following consultation and feedback analysis, a number of proposals were reviewed or paused.

2.2 The table below shows the outcomes for the policy proposals.

| Ref | Decision   | 2023/24 EqlAs |
|-----|--|---------------|
| A   | No major change required   | 5             |
| B   | Adjustments are needed to mitigate adverse impact and to better promote equality<br>(Includes initial EqlAs submitted and in progress) | 3             |
| C   | Continue despite possible adverse impact   | 3             |
| D   | Stop and rethink the proposal  | 1             |
|     | No EqlA required   | 1             |
|     | Awaiting confirmation of commencement to EqlA  | 0             |
|     | <b>Total (Policy)</b>  | <b>13</b>     |

2.3 The tables below provide further detail on those assessed as B, C or D. Where the outcomes showed B or C, the action plan is required to show the adjustments needed, how to reduce the impact or justify why it should continue despite the impact. 1 EqlA was considered as D in this period.

2.4 All EqlAs that resulted in initial B or C outcomes are further reviewed by the Equality, Diversity and Inclusion (EDI) team and considered by Cabinet members, giving an opportunity to comment and, where applicable, amend the budget in terms of its fairness, equality duties and objectives, as well as future shaping of the services. Proposals continue to be monitored and managed following implementation.

2.5 A number of proposals continue to be subject to consultation and engagement and there is ongoing activity. In addition, some EqlAs that have been submitted, whilst not causing any particular concern around equality considerations, require further analysis or work prior to or as they are implemented. These have been categorised as C in the table above at this point. This demonstrates that we are keeping in close contact with the proposals and that the owner has shown equality considerations. All C's will be monitored corporately to ensure any required mitigating action is implemented and has the desired result.

2.6 The 12 policy proposals included within the draft budget for 2023/24 were reviewed as follows:

| Ref Number | Proposal  | EqIA | Update / Comments   |
|------------|---|------|---|
| P1         | Outsource Mobile / Home Library Service                                   | D    | It has been agreed to stop and rethink this proposal due to confirmed adverse impact on older, vulnerable and isolated people, those with mobility or sensory impairments, carers and those affected by health, social and economic inequalities.   |
| P2         | Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement | C    | <p>It has been established that there is potential adverse impact on older age groups, those with disabilities and further consultations with Gypsy, Traveller and Roma communities will be required. The majority of adverse impact will be mitigated by offering digital assistance to residents to access holistic advice and welfare benefit maximisation tools online through the Walsall Connected network. Walsall Connected will also support more residents with blue badge applications</p> <p>This proposal has therefore been revised to:</p> <p>To expand the training and materials for the Walsall Connected network, so that digital assistance can be given to residents who need help to access online holistic advice tools and offer a reduced grant allocation of £156,800 to Citizen's Advice Sandwell and Walsall, to deliver face-to-face advice for residents in need of complex welfare benefits advice and tribunal support, thus mitigating the key risks identified in the Equality impact assessment.</p> |
| P3         | Outsource Outdoor Pursuits Service to a community group.                  | B    | The Outdoor Pursuits offers provision to children and families with Special Educational Needs, those benefiting from the Holiday Activities and Food (HAF) programme for disadvantaged children and other targeted provision for children and young people. To ensure a smooth transition, the Heads of Terms of the lease will contractually ensure that the incoming operator will continue to deliver existing services. This is to include programmes directly effecting groups with protected characteristics such as HAF (for children in low-income families) and Short Breaks (for children with disabilities) providing that the external funding is still available.  |

| Ref Number | Proposal   | EqIA | Update / Comments  |
|------------|--|------|--|
| P4         | Increase in bulky waste charges from £10 to £30 for up to 3 items, £50 for 4-6 items and £70 for 7-9 items   | C    | The service will need to monitor impact of fly tipping on areas with health, social and economic inequalities.   |
| P5         | Reduce grass cutting frequencies   | B    | The service will need to monitor impact on outdoor activities of children and young people.  |
| P6         | Rewilding of all urban-grassed areas - to manage public grassed open spaces and verges for biodiversity rather than visual appearance. Most areas would only receive one cut per year; however, pitches, visibility splays, paths and edges would be cut more often. | A    | No major change required.  |
| P7         | Increase resident and business parking permit charges by 20%   | A    | No major change required.  |
| P8         | Introduce charge for advisory disabled parking bays [£90 one off to align with Sandwell]   | C    | The service would need to monitor impact on people with disabilities. The proposal has now been withdrawn.   |
| P9         | Part night lighting - reduce energy consumption by 20%   | B    | The service will identify the type of location where reductions in illumination levels should not be implemented. e.g. outside of sheltered housing, residences accommodating vulnerable people, formal pedestrian crossing, subways and enclosed footpaths / alleyways, areas with a 24 hour operational emergency service such as hospitals and the immediate vicinity of community safety CCTV. |
| P10        | Garden waste collection - 2 weekly from May-Nov  | A    | No major change required.  |
| P11        | Modified winter maintenance service - the same roads will be gritted but split into 5 routes rather than 6   | N/A  | Moved to operational.  |
| P12        | Parking dispensation charging of £15 per vehicle per day   | A    | No major change required.  |
| P13        | Reintroduce staff parking charges – reduction from £45 to £15 per month  | A    | No major change required.  |

2.7 The 19 operational proposals requiring an EqIA for implementation in 2023/24 period are under review as they are either in progress or about to be assessed due to timing reasons (i.e. a later than April 2023 implementation date). Any assessed as other than A will be reported to senior managers and members for further consideration prior to implementation.

### 3. Emerging findings from the Cumulative EqIA

3.1 Walsall Council Corporate Plan states as its overarching priority **to reduce inequalities and make the most of potential**. To this aim, our services, partners and voluntary and community sector are committed to developing a healthier, cleaner and safer borough enabling residents, communities and businesses to fulfil their potential and thrive. We annually publish our achievements against the Public Sector Equality Duty objectives and these reports can be accessed at [Equality documents | Walsall Council](#).

3.2 A rigorous and transparent Equality Impact Assessment process, with special emphasis on those council services and functions that are subject to reductions and changes has always been at the core of the budget setting process. Here is the summary of the key areas of impact on people with 'protected characteristics' arising from the 2023/24 budget:

#### **AGE - Older and vulnerable people and carers**

3.3 During our assessment of the proposed 2023/24 Budget we have identified that **Outsourcing Mobile and Home library services** would have caused potential adverse impact to older and vulnerable people. These diverse communities value this service and the council is therefore reconsidering our options for developing this service in future, taking on board our in-house expertise as well as opportunities for partnership with our voluntary and community sector.

3.4 **Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement** poses an opportunity to review future demand in conjunction with the review of Customer Access Management. It has been identified that some older and vulnerable people and carers may struggle with digital access. Therefore, potential adverse impact will be mitigated by offering digital assistance to residents to access holistic advice and welfare benefit maximisation tools online through the **Walsall Connected network**. Walsall Connected will also support more residents with blue badge applications. A revised proposal has now been included within the budget, reflecting a reduced grant to CAB of £155,800 to deliver face-to-face advice for residents in need of complex welfare benefits advice and tribunal support, thus mitigating the key risks identified in the Equality impact assessment.

3.5 The proposal relating to **Part night lighting – reduce energy by 20%** will only proceed with careful consideration of the locations which will be exempt from implementation of this proposal due to potential adverse effect on vulnerable residents.

#### **Children and young people with disabilities**

3.6 We want to ensure that **Outsourcing of the Outdoor Pursuits Centre** to a new community provider will not cause any disruption to the service that is greatly valued by families with SEN needs and other specialist providers catering for children and young people with disabilities or those at risk of exclusion. This is why the new contract will be monitored in order to enhance and promote the

Centre in future and equality impact will be reviewed.

- 3.7 There might be a marginal impact of **Reducing Grass Cutting frequencies** on the availability of outdoor spaces to children and young people and this service will also be monitored for its equality impact.

### **PEOPLE WITH DISABILITIES**

- 3.8 It has been established that **Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement** does pose potential adverse impact on older people with disabilities and after careful consideration, the council has decided to review the grant agreement rather than cease the funding. This is one of the areas of cumulative impact that will be closely monitored in future because it is closely related to our development of the Walsall Connected Hubs and Customer Access Management review that are part of operational budget savings.
- 3.9 **Introduce charge for advisory disabled parking bays.** This proposal would have a financial impact on disabled residents if they chose to apply for an advisory disabled parking bay to be marked on the public highway outside of their property. The proposal has been withdrawn.

### **PEOPLE AFFECTED BY HEALTH, SOCIAL AND ECONOMIC INEQUALITIES**

- 3.10 As mentioned above, the **Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement** provides an opportunity to monitor demand of our residents, particularly those affected by health, social and economic inequalities, for specialist support such as complex tribunal support and specialist income maximisation advice. We will need to adjust our future grant arrangements CAB accordingly. This area of residents' support will be subject to future monitoring.
- 3.11 **Increase in bulky waste charges** may have a cumulative impact on some parts of the borough affected by health, social and economic inequalities and we are aware that fly tipping in these areas will require strengthened monitoring.

### **RACE AND RELIGION**

- 3.12 Whilst no policy proposals have identified significant adverse impact on race and religion 'protected characteristics', we recognise that **changes to (CAB) grant funding agreement** will require further consultations with some of our most under-represented service users, including Gypsies, Traveller and Roma as well as people with English as a Second Language needs.

### **OTHER – COUNCIL TAX**

- 3.13 As every financial year, the Budget plan includes the council's position statement on **Council Tax** affecting all our residents. In order to mitigate the impact, the council administers a council tax reduction scheme, a separate Hardship Fund, and a Crisis Support Fund to support our most vulnerable residents. For further details of the proposed council tax levels, please refer to the tables within the recommendations of this report and the Budget Plan Annexe.

#### **4. Ongoing EqlAs and implementation**

- 4.1 EqlAs are live assessments, continuing through the budget considerations as well as during the implementation. Some will not have completed consultation and engagement on operational proposals by the time Cabinet and Council meet and certainly not in time for this report. The EDI team has engaged with proposal holders, working with them and their proposals to ensure that equality is being considered throughout the process. An update will be provided as part of Corporate Management Team (CMT) quarterly monitoring.

#### **5. Equalities Monitoring Process**

- 5.1 Findings from the cumulative impact assessment and corrective actions are monitored quarterly by Equality Champions, directorate management teams and CMT, where updates will be provided as appropriate.
- 5.2 The EDI team will carefully consider the full impact of all EqlAs, with the support of CMT and Equality Champions. Emphasis will be placed on managing and mitigating any adverse impact to the services, within available budgets, and in consultation with their service users with protected characteristics. Managers implementing the service changes where potential impact has been identified will be responsible for any mitigating actions outlined. Progress will continue to be tracked quarterly by CMT and reports provided to Cabinet as required.

**SECTION B – Part 1**

**For Approval by Cabinet and  
Recommendation to Council:**

**Corporate Budget Plan,  
incorporating the Capital  
Strategy, Flexible Use of Capital  
Receipts Strategy and Treasury  
Management and Investment  
Strategy**

**2023/24 to 2026/27**

**February 2023**



| <b>Contents</b>  | <b>Page<br/>No</b> |
|--|--------------------|
| <b><u>Part 1: Revenue and Capital Budget Plan</u></b>  | <b>3</b>           |
| 1. Matching resources to vision  | 3                  |
| 1.1 Our Challenges   | 4                  |
| 1.2 The medium term financial framework (MTFF)   | 7                  |
| 2. Summary of 2023/24 Revenue Budget   | 10                 |
| 2.1 Revenue budget headlines   | 10                 |
| 2.2 Government central funding and business rate retention                                     | 11                 |
| 2.3 Council Tax – referendum principles  | 12                 |
| 2.4 Levies and precepts  | 13                 |
| 2.5 Net council tax requirement  | 14                 |
| 2.6 Collection Fund  | 16                 |
| 2.7 Other specific grants / pooled funding   | 17                 |
| 2.8 Growth and Investment  | 19                 |
| 2.9 Savings requirement  | 20                 |
| 2.10 Walsall Proud change activity   | 20                 |
| 2.11 Expenditure and Income  | 25                 |
| 2.12 General / Earmarked Reserves and Contingencies  | 28                 |
| 3. Summary of 2023/24 Capital Programme (including leasing)                                    | 30                 |
| 4. Medium term financial outlook 2024/25 plus  | 35                 |
| <b>Annexes</b>   |                    |
| 1. Summary of revenue budget 2023/24 by directorate  | 39                 |
| 2. Summary of revenue budget 2023/24 by outcome  | 40                 |
| 3. Council tax data 2023/24  | 41                 |
| 4. Revenue cash limit 2023/24 to 2026/27 by directorate  | 43                 |
| 5. New growth and investment 2023/24 to 2026/27 by outcome                                     | 48                 |
| 6. Proud Programme Work Stream Activity  | 54                 |
| 7. Benefits Realisation (Savings) for Proud Change Activity 2023/24<br>by outcome              | 57                 |
| 8. Capital and Investment Strategy   | 64                 |
| 9. Capital programme 2023/24 to 2026/27  | 77                 |
| 10. Flexible use of Capital Receipts Strategy  | 97                 |
| 11. Chief Finance Officer (S151 Officer) Section 25 report                                     | 103                |
| <b><u>Part 2 Treasury Management</u></b>   | <b>112</b>         |
| <b>A: Treasury Management and Investment Strategy</b>  | <b>112</b>         |
| 1. Introduction  | 112                |
| 2. Capital Prudential Indicators   | 116                |
| 3. Minimum Revenue Provision (MRP) Policy Statement  | 119                |
| 4. Borrowing   | 119                |
| 5. Annual Investment Strategy  | 126                |
| <b>Annexes</b>   |                    |
| 1. In year Treasury Management indicators to be monitored                                      | 130                |
| 2. Minimum revenue provision 2023/24 onwards   | 131                |
| 3. Additional disclosures required within statutory guidance on Local<br>Authority Investments | 132                |
| 4. Economic background   | 138                |
| 5. Glossary of terms   | 141                |
| <b>B: Treasury Management Policy Statement</b>   | <b>143</b>         |

## Part 1 – Revenue and Capital Budget Plan

### 1. Financial planning and management: matching resources to the vision and delivering outcomes

Walsall Council exists to serve the people and communities of Walsall, by representing and working with them to protect and improve the quality of life for all, particularly the most vulnerable. Walsall Council will provide strong, fair, open and honest leadership for the borough and its people and work with any organisation willing to work in the best interests of Walsall. We do this with limited resources and must always work to ensure that public money is targeted to where it is most needed and used in the most efficient way possible. We are led by the communities we serve who help shape the services we provide and we help those communities to make a positive difference to their own lives through active civic engagement and co-operation.

The council's budget is a financial representation of the organisation's plans for the forthcoming financial year and beyond. In times of economic uncertainty, it is imperative that the council plans over the medium term. This budget covers the spending round for 2023/24 and the following three years to 2026/27, and is constructed as an integral part of the council's planning processes.

It is aligned to its priorities, objectives, specifically the Council Plan, and the council's Proud agenda of transformational change. It aims to achieve this through the delivery of efficiencies, income reviews, service reviews and redesigns to redirect existing and reducing resources to areas of high council priority in order to deliver the council's outcomes.

This budget has been prepared using the council's high-level purpose and priorities as outlined in Our Council Plan 2022/2025. The plan presents the council's five priorities with 10 identified outcomes, measured against 20 markers of success. This process ensures transparency and accountability as the council will measure achievements and identify gaps with the focus on reducing inequalities and maximising all potential across the borough. The plan has been informed by an updated Joint Strategic Needs and Assets Assessment (JSNA), several internal strategies, internal and external surveys, Community Safety Needs Assessment and the Local Economic Needs Assessment. It has highlighted some of the impact of the Covid-19 pandemic and how the Council has and continues to respond its impacts, as well as highlighting some of the Council's successes. The theme of the council plan is Positivity and Accountability, drawing and building on the strong partnerships, resilient staff and strong community relationships developed these past 22 months.

The council's financial plan and budget has been reviewed and aligned to the new Council Plan. This budget plan, cash limits, savings and investments are aligned to the council's five priorities and specifically the 10 outcomes which are as follows:

#### Economic

- Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place
- Education, training and skills enable people to contribute to their community and our economy

## People

- People can access support in their community to keep safe and well and remain independent at home
- People are supported to maintain or improve their health, wellbeing and quality of life

## Internal

- We get things right, first time and make all services accessible and easy to use
- The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring

## Children

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

## Communities

- Our communities will be more resilient and supportive of each other
- The people of Walsall feel safe in a cleaner, greener Borough

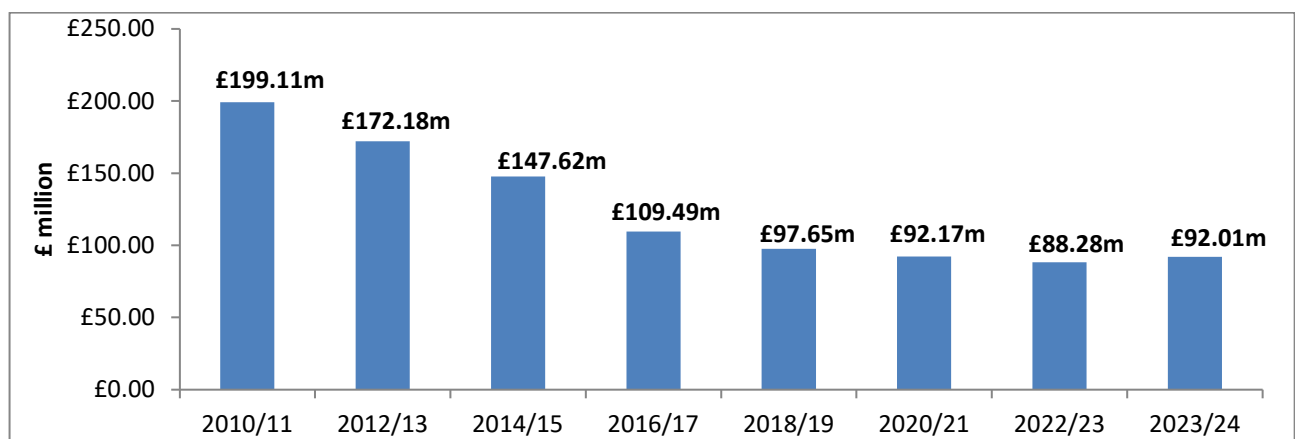
The council will be a key enabler of improvements to Walsall and its' Districts as a place to live, learn and work; working innovatively and collaboratively with strong and resilient communities, public sector partners, schools and businesses to shape services that deliver real and sustainable improvements to people's lives. The council will by necessity be smaller, doing fewer things, and those services that we continue to provide will be delivered in a very different way to how they are now. Our efforts will focus on reducing health, social and economic inequalities and creating an environment where the potential of the area, local businesses, communities and people can be maximised.

## 1.1 Our Challenges

### 1. Core Government Funding

Around half of Walsall's funding comes from government grant (c56% - top up, schools DSG and some specific service grants). In 2010, Walsall received £199.11m of government core funding support to deliver services, alongside income generated from council tax. Between 2010/11 and 2023/24, government has cut core grant funding by c£107.1m. Alongside cost pressures over the same period, savings totalling over £265m have had to be identified and implemented.

**Government Funding 2010/11 to 2023/24**



Government announced only a one-year local government finance settlement for 2023/24 only. The Spending Review (SR21) on 27 October 2021 set out the economic forecast and departmental budgets for the three year period 2022/23 to 2024/25, so we were expecting some clarity over funding for the period to 2024/25 in the provisional settlement, which was not forthcoming. Government has confirmed that this is due to the current national economic uncertainty.

The draft settlement for 2023/24 announced on 19 December 2022 confirmed that there would not be any changes to the current funding formula and that the Review of Relative Needs and Resources (formerly the Fair Funding Review) and changes to Business Rates Retention for 2023/24 would not be introduced. Both of these changes are still under review by government but is unknown at this time when they will be introduced and if there will be changes to the original proposals. This coupled with only a one-year settlement for 2023/24, leaves considerable uncertainty in respect of the amount of income we will receive in government funding from 2024/25 onwards.

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 will assume that we will continue with 100% business pilot for 2023/24 onwards until we are provided with any further direction.

The future financial environment continues to be challenging for councils for 2024/25 and beyond, with significant uncertainties in future grant, both core and specific.

The council's second largest source of funding is council tax (19.98% 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 2.99% in 2023/24 and 2024/25 (below the referendum principles announced in the provisional settlement on 19 December 2022) and 1.99% in the following 2 years. Government guidance also allow councils with social care responsibilities to increase the adult social care precept by a further 2% per year, which the Administration have carefully considered, but is not minded to implement given the cost of living pressures being faced by our residents.

## 2. Cost of Living

2022/23 has been a particularly challenging year, with the impact of the cost of living crisis and post Covid-19 reset impacting on service delivery and finances. Emerging service pressures have required action to be taken to limit the council's financial exposure, particularly on the impact of pay, contracts, energy and fuel due to rising prices and inflationary increases. These actions continue to ensure that the budget is balanced for 2022/23, with a sufficient level of reserves to manage existing liabilities and any potential new risks which may arise in 2023/24. Where pressures are forecast to continue into 2023/24, they are incorporated into the draft investment shown at **Annex 5** of this report, particularly:-

- Significant investment into Children's service children in care placement costs (No. 38 and 57) of over £13.5m;

- Investment No.10 - £1.67m contract price increase for under 65's not covered by Fair Cost of Care;
- Investment No.13 - £1.12m Adult Social Care contractual inflation for Housing 21;
- Investment No. 31 - £1m provision for expected rising costs in energy;
- Investment No. 33 – £10.45m pay and pension changes which has been partly allocated to services to fund the agreed ongoing pay changes from 2022/23;
- Investment No. 35 - £1.22m central provision to cover further ongoing impacts of cost of living and demand on council services;
- Investment No. 52 – £797k contractual inflation with Economy, Environment and Communities;
- Investment No. 53 - £275k provision for rise in vehicle fuel costs.

The 2022/23 budget was predicated on delivery of £18.86m from Proud benefits from the adoption of new ways of working across the council, significantly enhancing our enabling technology capabilities, and improving our service efficiency and performance. In year service pressures, including the impact of cost of living, have had some continuing impact on the delivery of savings. All savings are expected to be delivered in year, with the exception of £6.02m (31.92%) of at risk savings, £3.68m are expected to be carried forward for monitoring in 2023/24 with the remaining £2.34m expected to be delivered as full year effects in 2023/24. This is in the main due to the ongoing impact of increasing demand on council services, particularly within Adults and Children's Social Care, rising inflationary increases impacting on contracted services, and some delays in the commencement of consultation on a number of organisational redesigns. This is factored into the financial plan for 2023/24.

### 3. Demand and other cost pressures

Alongside reductions in funding, the council also faces increasing cost pressures due to both increasing demand and cost of living increases.

The following summarises initiatives, demand and other pressures that have and will continue to have financial implications for the council over the coming years:

- The existing and future unknown impact of the cost of living crisis on council services, including the volatility in inflation (RPI increase of 14% and CPI 10.7% announced for November 2022). This will impact all services through pay, energy, street lighting, fuel, borrowing rates, contracted services, and also take up of council services as a result of less disposable income etc;
- The residual impact of Covid-19, including ongoing cost pressures and reductions in income as a result of an ongoing reduced take up of council services;
- Changes in core government grant funding, for example:
  - Impact of the review of full business rate retention (BRR) and revaluation;
  - Impact of the future review of Relative Needs and Resources (formerly the Fair Funding Review) to include the setting of new baseline funding allocations, subject to confirmation;
  - Uncertainty of core government funding beyond 2023/24, subject to confirmation;
  - Continuation or otherwise of other specific grants e.g. Public Health, Improved Better Care Fund, Supporting Families, Social Care grant, Market sustainability etc;
- Increases and changes in demand:
  - From an ageing population, increases in care package costs and the ongoing impact of Covid-19 have put a strain on local authority systems both in financial and operational terms. For example, Adult Social Care packages and placements costs

have risen by £17.63m from £68.70m in 2017/18 to £86.33m in December 2022/23 – an increase of 25.66%;

- Children and young people in care - March 2018, there were 930 children and young people receiving care or support from the local authority (644 children in care / 286 other support) with an average cost per placement of £735 per week for children in care and £141 per week for other support. In comparison, as at the end of November 2022, numbers had risen to 1,108 (650 children in care / 458 other support) with average costs of £1,631 per week for children in care and £340 per week for other support. Placements costs have risen by 125% in the past four years whilst children in care numbers have increased by 19%.

The biggest impact on costs has been within external residential placements which have risen from an average cost of £3,802 per week in March 2018 to £6,224 in November 2022. The number of children has also increased from 32 in March 2018 to 75 in November 2022. The rise in placement costs is mainly due to changes in legislation, increased numbers of complex cases and shortage in placements.

- Government's continued 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;
- The impact of the delayed adult social care reforms;
- Increased corporate costs, including costs in relation to pay and pensions.

Further information on cost pressures and how these are being managed within the medium term financial framework are outlined in section 2 and summarised in **Annex 5**.

## 1.2 The Medium Term Financial Framework (MTFF)

The MTFF is a strategic framework and policy document within which the council's finances are constructed and managed. It is part of a suite of policy documents that together comprise the council's approach to effective sound governance and good practice. It is the translation of our vision, aims and objectives into a financial plan, which thereby facilitates delivery of these through the portfolio planning process.

The MTFF is a key document in bringing together the level of available resources with the demands for service delivery and investment, facilitating sound financial and service risk and opportunity management. It also links to the impact on the council's capital resources and external funding opportunities.

Best practice financial management requires that the MTFF is regularly updated to take into account the changing environment within which we work. The last MTFF was updated and approved by Cabinet on 20 October 2021, which is currently being thoroughly reviewed and will be reported back to Cabinet for approval in due course.

**Figure 1** shows the relationship between the various components of the financial framework. The MTFF is the overarching corporate financial policy sitting below the Council Plan and above the other elements of the financial cycle. It is the driver for all other financial activity. Below the MTFF sit the other financial strategies; the Capital Strategy and the Treasury Management and Investment Strategy.

| Figure 1 : THE FINANCIAL FRAMEWORK |  |  |   |                                       |  |
|------------------------------------|--|--|---|---------------------------------------|--|
| CATEGORY                           | OVERALL  | REVENUE  | CAPITAL                                     | TREASURY MANAGEMENT                   | RISK MANAGEMENT                            |
| Strategies                         | <b>Medium Term Financial Framework</b>                                     |  |   |                                       |  |
|                                    |  | Tax Strategy   | Capital Strategy                            | Treasury Management (TM) Strategy     | Risk Management Strategy                   |
| Guidance                           | CIPFA and technical guidance   | Budget Guidelines  | Capital Guidelines                          | CIPFA Code of Practice for TM         | Risk Management Toolkit                    |
| Plans                              | MTFO   | Annual Budget  | Capital Programme and Asset Management Plan | Treasury Policy Statements            | Risk Management Action Plans               |
| Governance                         | Constitution   | Budget Management and Control Manual and the Annual Governance Statement |   | Prudential Indicators & Annual Report | Risk Register reporting and regular review |
|                                    | Contract and Finance Rules   |  |   |                                       | Audit Committee Reports and Annual Report  |
|                                    | Internal and External Audit Plans and our response to inspection and audit |  |   |                                       |  |

The council adopts a policy-led, medium term approach to financial planning, seeking to ensure our budgets are clearly linked to our vision, aims and objectives. We are committed to maintaining financial stability and delivering value for money through effective and efficient services.

The main objective for the council is to maintain good long-term financial health. Achieving this allows us to deliver good quality, value for money services, shaped by our customer demand. Services that are modern, efficient, effective, and fit for purpose. This requires a framework that delivers both continuous, adaptive improvement and core strength. We will also ensure that we benchmark against the Financial Management Code of Practice.

How we will achieve this is through:

- Financial Governance and Leadership
- Financial Planning
- Finance for Decision making
- Financial Forecasting and Monitoring
- Financial Reporting

*Financial governance and leadership*

1. Our senior management will be financially literate and able to understand fully the financial environment in which the council operates.

*Financial planning*

1. Our financial planning will be inextricably linked to the council's strategic and corporate planning process. Our financial plans will reflect the councils key strategic priorities.
2. An annual medium term financial framework, covering a four year time horizon, will integrate current expenditure plans and investment programmes, with cash-flow and balance sheet projections, developed in the context of a longer-term strategy, which supports the council's strategic plan.

### *Finance for decision making*

1. In developing our strategic and council plan we will consider the value for money achieved by allocating resources to different activities.
2. We will understand the financial implications of current and potential alternative policies, programmes, and activities.
3. We will analyse our cost profiles and cost drivers and how they will behave under different circumstances.
4. We will understand the whole-life costs associated with capital investment.
5. We will consider all tax related implications, as outlined in the council's tax strategy, in all decisions made.

### *Financial monitoring and forecasting*

1. Management will assure itself that financial performance to date and forecast financial outturns are in line with the plan, including cash-flow and balance sheet projections.
2. Variances will be identified as soon as possible, so that management can either take corrective action to manage unfavourable variances or apply any favourable variances to corporate priorities.
3. The underlying costs of the organisation's key activities and how these are profiled over time will be monitored and reviewed.
4. Financial information will be integrated with non-financial performance and activity information. Together, such information forms the basis for financial forecasts and enables value for money to be monitored.
5. The financial information used both for setting the budget and internal accountability, monitoring and forecasting throughout the year is derived from the same systems that are used to generate the results reported externally in the organisation's statutory financial statements.

### *Financial reporting*

1. To run the organisation effectively, management will have up-to-date financial and non-financial performance information on a timely basis.
2. Reports will be presented in a form that is tailored to user needs, are easy to understand and highlight the key financial issues that they need to be aware of.
3. For its part, management needs to provide timely, accurate and balanced information about its stewardship and use of resources and its non-financial performance to the organisation's different stakeholders. Such information will be presented in a form tailored to meet their needs.



## **2. Summary of the 2023/24 Revenue Budget**

The budget has been prepared for the period 2023/24 to 2026/27 and extends beyond the current Parliament. The 2022/23 position is reported regularly to Members. The current position is a forecast underspend of c£57k as at December 2022, inclusive of a number of in year action plans to bring the position in line with budget.

The focus in this plan is 2023/24, as this is the year for which Full Council are required to set the forthcoming financial envelope (the 'statutory determinations' or gross expenditure and gross income), the council tax requirement and the band D council tax level. Section 4 provides further detail on 2024/25 and beyond.

### **2.1 2023/24 Revenue Budget Headlines**

The revenue budget is constructed in accordance with the council's Medium Term Financial Framework (MTFF), the Council Plan, and all relevant corporate financial protocols and presents a balanced budget, with:

- A focus on a policy-led, medium term, risk assessed budget setting approach using priorities established by Cabinet;
- A total net council tax requirement of **£144.16m**;
- A 2.99% council tax increase, equivalent to a Band D Council Tax of **£1,985.48** (excluding precepts) and **£2,261.05** (including precepts);
- Investment of **£13.05m** for Adult Social Care, Public Health and Hub cost pressures primarily to cover demographic changes and inflationary pressure;
- Investment of **£18.83m** for Children's Services, Education and Customer Engagement cost pressures primarily to cover children in care, demographic changes and contractual inflation;
- Investment of **£3.96m** for Resources & Transformation primarily linked to technology developments;
- Investment of **£3.45m** for Economy, Environment & Communities primarily to cover inflationary pressures;
- Provision for other known budget pressures, including cost pressures, reduced levels of income or grant, and pay changes of **£9.46m**;
- Bringing total investment to **£48.75m**;
- Savings of **£15.71m**;
- Appropriate use of prudential borrowing to support capital investment where affordable and sustainable with revenue costs being reflected in this report;
- Opening general reserves of **c£16.12m** as assessed and recommended by the S151 Officer.

The financial implications arising from the financing of the capital programme for 2023/24 are contained within this revenue budget.

## 2.2 Government central funding and business rate retention

The Government provides funding to councils through a grant redistribution system (previously referred to as Formula Grant) which includes the redistribution of business rates collected and revenue support grant.

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 to amend the % of retained business rates from 49% to 75% was due to be finalised by 2020/21, but this was abandoned in November 2021 as it went against the Government's levelling up agenda and it was announced that they would look at introducing a new mechanism for redistributing funding to the authorities most in need. This has still to be introduced and nothing is expected to change in relation to 2023/24.

Areas that have agreed a Devolution Deal had the opportunity to be involved in a 100% business rates retention pilot. This was to provide the opportunity to shape national thinking about the eventual scheme, and to take forward further devolution. Walsall, along with the other six West Midlands Authorities, has been piloting the scheme from 1 April 2017. This means that Walsall retains 99% of business rates collected with the other 1% being paid over to the Fire Authority. This results in revenue support grant (RSG) no longer being paid to the authority but it still receiving a top up grant for our shortfall in retained business rates against the government's assessment of baseline funding required for the authority.

The draft settlement for 2023/24 announced on 17 December 2022 confirmed that there would not be any changes to the current funding formula and that the Review of Relative Needs and Resources (formerly the Fair Funding Review) and any changes to Business Rates Retention for 2023/24 would not be introduced.

The draft settlement also announced that the business rates multiplier will be frozen for 2023/24 and not increased by September CPI. There were also a number of other reliefs announced at the same time to aid businesses during 2023/24 with the cost of business rates. Any loss of income to the authority is fully compensated by the government.

The 2023 revaluation of business rates will proceed but with government funded transition relief over 3 years to support businesses as they transition to their new bills in order to protect businesses from the full impact of inflation and support our high streets. Certain telecommunication properties currently held on the local list within authorities will also be transferred back to central government. Any loss of income arising from these changes is fully compensated and included within the Top Up grant from government.

The 2023/24 Walsall's principal form of local government funding is summarised as follows:

- Business rates local share - **£71.96m** in 2023/24 – this is an estimate of what Walsall will bill in business rates. This local share is guaranteed income to revenue and is based on the council retaining 99% of what is expected to be billed in 2023/24, as part of the pilot scheme;
- Top up grant – **£20.45m** in 2023/24. Some authorities collect more business rates than their calculated baseline funding level and are therefore required to pay a tariff to government in excess of their allocated share. Councils like Walsall have a greater baseline funding level than the business rates they can collect and will be paid a top up grant from government to meet the shortfall.

Walsall will also receive £25.53m in business rates section 31 grant to compensate for a number of reliefs and the freezing of the multiplier in 2023/24 and also includes any on-going compensation from previous years changes to the multiplier.

Government measure local authority expenditure by “*core spending power*”. Spending power is based on each local authority’s power to influence and not control local spending levels. This will include income raised through council tax, business rates retention, specific grants and NHS funding for social care (the latter being spend which the council may have an influence over but does not control). The provisional settlement on 19 December 2022 summarised Walsall’s change in spending power as an increase of £27.9m (10.1%) as set out in **Table 1**.

| <b>Table 1 : Government Core Spending Power</b>  |                |                |                 |
|--|----------------|----------------|-----------------|
|  | <b>2022/23</b> | <b>2023/24</b> | <b>Variance</b> |
|  | <b>£m</b>      | <b>£m</b>      | <b>£m</b>       |
| Top Up   | 18.64          | 20.45          | 1.81            |
| Business Rates                                   | 74.61          | 77.96          | 3.35            |
| <b>Total Settlement Funding Assessment (SFA)</b> | <b>93.25</b>   | <b>98.41</b>   | <b>5.16</b>     |
| Compensation for under indexing                  | 7.64           | 13.21          | 5.57            |
| Council Tax Requirement                          | 138.43         | 146.41         | 7.98            |
| Improved Better Care Fund                        | 14.18          | 14.18          | 0.00            |
| Social Care Grant                                | 15.21          | 24.50          | 9.29            |
| New Homes Bonus                                  | 0.45           | 0.01           | (0.44)          |
| Lower Tier Services Grant                        | 0.47           | 0.00           | (0.47)          |
| Market Sustainability & Fair Cost of Care Fund   | 0.97           | 0.00           | (0.97)          |
| Market Sustainability & Improvement Fund         | 0.00           | 3.35           | 3.35            |
| Adult Social Care Discharge Fund                 | 0.00           | 1.99           | 1.99            |
| Grants rolled in – Independent Living Fund       | 0.81           | 0.00           | (0.81)          |
| Grants rolled in – Natasha’s Law                 | 0.01           | 0.00           | (0.01)          |
| Grants rolled in – Council Tax Admin             | 0.48           | 0.00           | (0.48)          |
| Grants rolled in – Council Tax Family Annex      | 0.00           | 0.00           | 0.00            |
| Services Grant                                   | 5.15           | 2.90           | (2.25)          |
| <b>Core Spending Power</b>                       | <b>277.05</b>  | <b>304.96</b>  | <b>27.91</b>    |

The provisional settlement announced an increase in Core Spending Power for local authorities in England from £54.5bn in 2022/23 to £59.5bn in 2023/24; a real terms increase of 9.2% (£5bn). However, this is heavily reliant on councils making the maximum council tax increase as well as the number of properties eligible to pay council tax continuing to grow at pre-pandemic levels. Overall, £1.9bn (38%) of the £5bn spending power increase comes from council tax. In reality, after factoring in local estimates of business rates and council tax, the CSP increase is c7%.

## **2.3 Council Tax – Referendum principles**

In recent years Central Government has capped the level of council tax rises. Capping principles are determined on a year by year basis. Since 2012/13, each authority is required to determine whether their council tax increase requires a referendum, which would require the seeking of support from the local electorate. Schedule 5 of the Localism Act introduced a new chapter into the Local Government Finance Act 1992, making provision for council

tax referendums to be held if an authority increases its council tax by an amount exceeding a set of principles determined by the Secretary of State and agreed by the House of Commons.

The provisional local government settlement for 2023/24, as announced on 19 December 2022, confirmed the council tax referendum limit of up to 5%, inclusive of 2% for the social care precept. This would mean if a local authority seeks to raise its relevant basic amount of council tax by 5% or more for 2023/24, local people would have the right to vote to keep council tax bills down through a binding referendum veto.

Given the scale of the challenge in 2023/24, with an initial funding gap of £15.71m, Walsall proposes to increase the council tax by the 2.99% maximum core element permitted, in line with the core government referendum limit announced on 19 December 2022. This does not include the adult social care precept of an additional 2%, which the Administration have carefully considered, but is not minded to implement given the cost of living pressures being faced by our residents. This 2.99% will secure ongoing funding to support essential service delivery.

This increase equates to a council tax increase of £1.11 per week or 16p a day for a band D property or a 74p increase per week (11p per day) for a band A. 67.43% of residents are in band A and B increasing to 83.49% including band C. It is recognised that the above may have an impact on residents' income. Where residents are on low incomes, they may be entitled to council tax reduction, may be offered welfare benefits and/or money management advice. The council also has a discretionary scheme in place to help those who need support. The council will continue to monitor the impact of these.

## 2.4 Levies and Precepts

**Table 2** shows the levy to be made on Walsall Council by the West Midlands Combined Authority for transport, and the levy by the Environment Agency.

| <b>Table 2: Levies 2023/24</b>                    |                      |                      |  |  |
|---|----------------------|----------------------|--|--|
| <b>Levy</b>                                       | <b>2022/23<br/>£</b> | <b>2023/24<br/>£</b> | <b>Increase /<br/>(Decrease)<br/>£</b> | <b>Increase /<br/>(Decrease)<br/>%</b> |
| West Midlands Combined Authority Levy (Transport) | 11,411,844           | 11,614,200           | 202,356                                | 1.77                                   |
| Environment Agency                                | 85,178               | 85,178               | 0                                      | 0.00                                   |

Walsall's precepting authorities are the West Midlands Police and Crime Commissioner, and West Midlands Fire and Rescue Authorities, as shown in **Table 3** below.

| <b>Table 3: Precepts 2023/24</b> |                                 |                                 |                                 |                                  |
|----------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| <b>Precepting Authority</b>      | <b>2023/24<br/>Amount<br/>£</b> | <b>Band D<br/>2023/24<br/>£</b> | <b>Band D<br/>2022/23<br/>£</b> | <b>Band D<br/>Increase<br/>%</b> |
| WM Police and Crime Commissioner | 14,706,884                      | 202.55                          | 187.55                          | 8.00                             |
| WM Fire and Rescue               | 5,301,543                       | 73.02                           | 68.03                           | 7.33                             |

**Table 4** shows the Council Tax calculation at Band D.

| <b>Table 4: Net Council Tax Requirement and Council Tax Levels 2023/24</b> |                             |                                 |
|--|-----------------------------|---------------------------------|
| <b>Element of budget</b>   | <b>2023/24 budget<br/>£</b> | <b>Council Tax Band D<br/>£</b> |
| <b>WMBC element - required from council tax</b>                            | <b>144,163,042</b>          | <b>1,985.48</b>                 |
| Police & Crime Commissioner precept  | 14,706,884                  | 202.55                          |
| Fire & Rescue precept  | 5,301,543                   | 73.02                           |
| <b>Total from council tax</b>  | <b>164,171,469</b>          | <b>2,261.05</b>                 |

*NB: based on an approved council tax base of 72,608.66 band D equivalents.*

## 2.5 Net Council Tax Requirement

The gross revenue expenditure budget for 2023/24 will be **£721.69m**, and gross income will be **£577.53m**, resulting in a net council tax requirement of **£144.16m**.

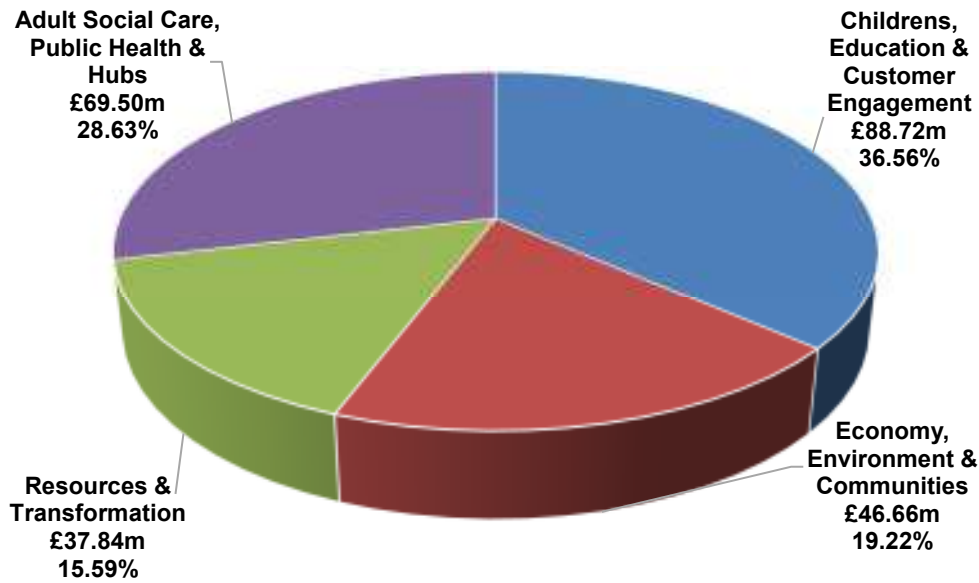
It has been possible to commit to **£48.75m** of investment to address key priorities in 2023/24, funding of essential cost pressures, provision to fund inflationary pressures (i.e. pay and contractual) and corporate cost pressures to fund for example, pension costs. Income targets have also been realigned where ongoing shortfalls have arisen.

This results in a band D council tax for the Walsall Council element only of £1,985.48, representing an increase of 2.99% from 2022/23 levels. This increase is in line with core referendum principles, excluding the adult social care precept which the Administration have carefully considered but is not minded to implement given the cost of living pressures faced by our residents. Most properties in Walsall (67.43%) are in bands A or B (**Annex 3**).

The change in council tax requirement from 2023/24 to 2026/27 is shown in **Table 5**.

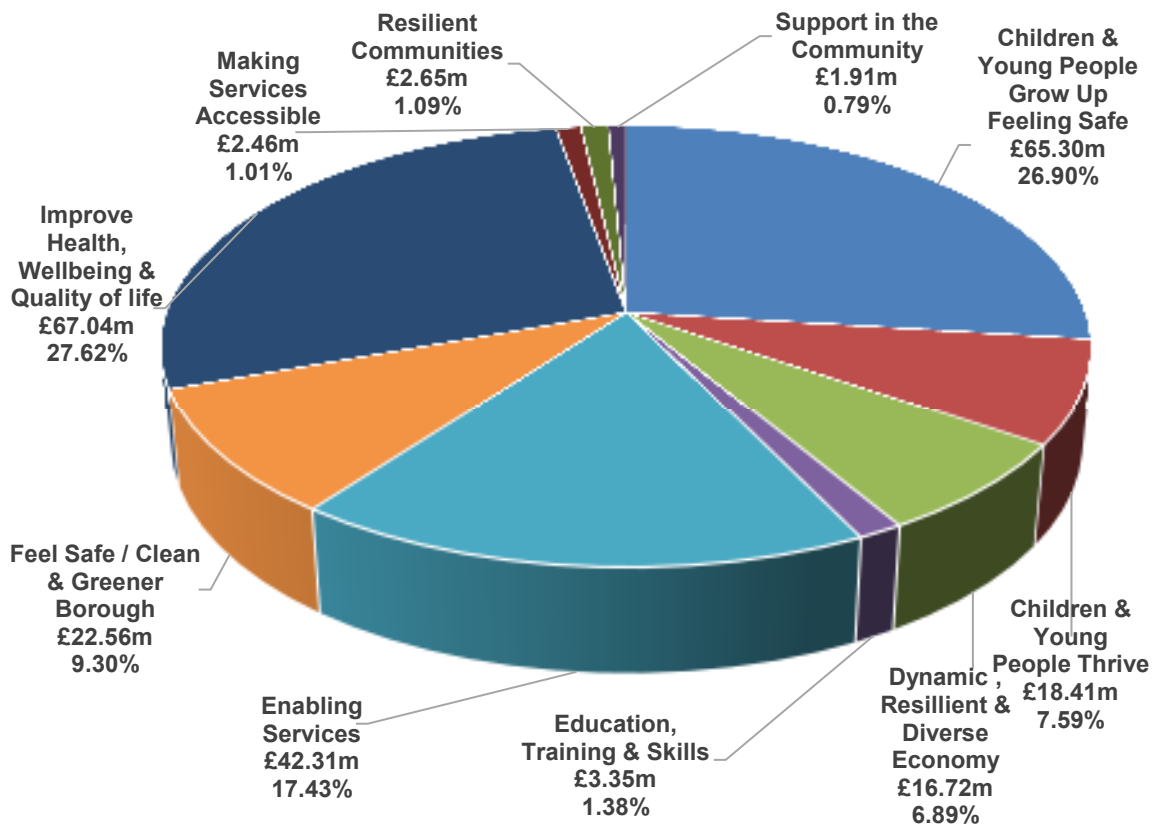
| <b>Table 5: Council Tax requirement</b>                         |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <b>2023/24<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> |
| <b>Council tax Requirement</b>                                  | <b>138.43</b>         | <b>144.16</b>         | <b>149.49</b>         | <b>153.50</b>         |
| <b>Cost Pressures:</b>  |                       |                       |                       |                       |
| Growth / Investment ( <b>Annex 5</b> )                          | 48.75                 | 30.42                 | 19.39                 | 15.51                 |
| Savings plans identified ( <b>Annex 7</b> )                     | (15.71)               | (8.10)                | (0.85)                | (0.84)                |
| Other savings to be identified                                  | 0.00                  | 0.00                  | (12.38)               | (8.35)                |
| <b>Other movements / funding changes:</b>                       |                       |                       |                       |                       |
| Other changes including base budget adjustments, grants, income | (19.08)               | (8.48)                | (0.36)                | (0.22)                |
| Core Funding changes  | (21.77)               | (5.65)                | (2.43)                | (2.48)                |
| Collection fund (surplus) / deficit                             | (0.94)                | 1.22                  | 0.00                  | 0.00                  |
| Transfer to / (from) reserves                                   | 14.48                 | (4.08)                | 0.64                  | 0.50                  |
| <b>Revised Council Tax Requirement</b>                          | <b>144.16</b>         | <b>149.49</b>         | <b>153.50</b>         | <b>157.62</b>         |
| <b>Council Tax Increase – General</b>                           | <b>2.99%</b>          | <b>2.99%</b>          | <b>1.99%</b>          | <b>1.99%</b>          |
| <b>Council Tax Increase – Adult Social Care precept</b>         | <b>0.00%</b>          | <b>0.00%</b>          | <b>0.00%</b>          | <b>0.00%</b>          |

**Figure 2a – Net council tax requirement by directorate**



Note: Figure 2a excludes centrally held and capital financing budgets

**Figure 2b – Net council tax requirement by outcomes**



Note: Figure 2b excludes centrally held and capital financing budgets

## 2.6 Collection Fund

The collection fund is accounted for separately to the general fund and accounts for income collected from council tax and business rates. In January of each financial year, an in-depth appraisal is undertaken to assess the estimated level of collection (as aggregated to include that relating to the current and previous years), the likely balance of the fund and to advise the precepting authorities (Fire and Police) of their share of the council tax surplus/deficit to enable them to take this into account in their own budget calculations.

In recognition of the impact Covid 19 has had on collection, regulations were put in place by government to spread collection fund deficits arising in 2020/21 over three years commencing in 2021/22 rather than the usual period of one year to ease immediate financial pressures.

The assessment undertaken in January 2023, which incorporated the ongoing impact of Covid-19 on lost council tax and business rate, calculated the following:

- Council Tax - an estimated in year surplus of £1.137m for Walsall (total estimated surplus for 2022/23 of £1.288m including precepts).

A brought forward cumulative surplus of £0.291m from 2021/22 (total actual surplus of £0.328m including preceptors), payments from the collection fund totalling £0.282m to the council and £0.036m to preceptors and a transfer from the general fund of £0.081m means there is a net surplus of £1.218m for Walsall (total actual net surplus for 2022/23 of £1.379m, less the required contribution of £0.161m to the West Midlands Police and Fire & Rescue);

- Business Rates – an estimated in year deficit of £6.175 for Walsall (total estimated deficit for 2022/23 of £6.237 including precepts).

A brought forward total deficit of £16.697m from 2021/22, payments from the council and preceptors in relation to this deficit of £18.362m and further adjustments for the spreading of the 2020/21 exceptional balance as allowed by regulation means there is an estimated in year deficit of £6.175m (£6.237m Including West Midlands Fire and Rescue). This results in a cumulative carried forward deficit into 2023/24 totalling £4.526m for Walsall (£4.572m including West Midlands Fire & Rescue).

### *Changes to council tax base*

Council tax base is to be set at 72,608.66 Band D equivalent (71,803.35 in 2022/23). The council tax base (which measures the number of Band D equivalent properties) has increased mainly due to the estimated number of new build properties in the borough.

### *Changes to collection rates*

In year collection for council tax is expected to be 93.5% in 2022/23, up from 93.0% in 2021/22. Collection rates remain slightly below pre Covid-19 levels of approximately 94.0%. Over the longer period 98.0% of debt is still expected to be collected, in line with budgeted expectations.

In year collection for business rates is expected to be 97.2% in 2022/23, up from 96.5% in 2021/22. Collection rates are recovering and are now in line with pre covid-19 levels of approximately 97.3%.

## 2.7 Other specific grants / pooled funding

The council receives a large number of external grants which make up c56% of the councils total funding. The main grants are summarised below:

- Dedicated Schools Grant (DSG) – £193.26m (excluding academies) – this is passported directly to schools under a specified formulae. Grant is expected to increase by 7.25% between 2022/23 and 2023/24, representing an increase of £15.17m. Of this £7.22m relates to mainstream schools and in the main relates to an increase in pupil numbers and those children eligible for free school meals alongside a minimum increase in funding for Walsall of 0.5% per pupil. The increase also reflects the inclusion of the Schools Supplementary Grant which has been rolled into DSG in 2023/24. A further £6.68m relates to funding for children with high needs, and follows government direction over the previous two years of significant investment in this area to support increased need being seen nationally. Central School Services Block which funds the delivery of statutory duties for all schools has increased by £105k and funding received for early years education has increased by £1.16m which is largely due to an increase in the number of children placed in early years provision;
- Public Health Grant - Local Authorities in England took responsibility for the commissioning of some Public Health services from the National Health Service (NHS) on April 1st 2013. The grant is estimated at £19.28m for 2023/24 and is still subject to final confirmation.
- Social Care grant – funding initially announced in October 2018 to council's for adults and children's social care, which has continued each year thereafter. Distributed using the existing Adult Social Care Relative Needs Formula adjusted for an equalisation payment for those authorities which cannot raise income via the adult social care precept. Walsall's allocation is £24.49m in 2023/24 as announced in the provisional local government settlement on 19 December 2022, an increase of £9.28m which includes the rolling in of the Independent Living Fund (ILF) grant of £808k. The increase is being used to fund growth and demand investment of £5.57m within Adult Social Care, £808k to replace the fall out of ILF income and £2.90m investment in Children's services relating to children in care demand and placement costs.
- Better Care Fund (BCF) – The authority is the lead for the BCF pooled budget which involves partnership working between Adult Social Care and the NHS Black Country Integrated Care Board (ICB), with both parties making a contribution into the fund. BCF (formerly the Integration Transformation Fund) was announced by the Government in the June 2013 spending round, at a national value of £5.3bn, to ensure a transformation in integrated health and social care. It creates a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their well-being as the focus of health and care services. The 2015/16 financial year was the first year of the BCF, with the Improved Better Care Fund (iBCF) introduced in 2017/18. For 2023/24 there has been no changes to the allocations received in 2022/23 of £10.44m for BCF and £14.18m for iBCF as announced in the provisional settlement;



- New Homes Bonus (NHB) - introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas by rewarding local authorities for net additional homes added to the council tax base. The provisional settlement on 19 December 2022 confirmed that there will be no legacy payment (ongoing funding of previous years allocations) of New Homes Bonus. For 2023/24 Walsall will receive £10k, a reduction of £440k on the previous year as we saw no increase in our tax base above the threshold. The national allocation has seen an overall reduction of £265m (48%) which has been used to fund the Funding Guarantee Grant (funding to authorities whose core spending power is below 3%);
- Housing Benefit grant of £58m, expected to reduce annually as we continue to move to Universal Credit. Any change is a net nil impact to the authority;
- Lower Tier Services Grant was introduced in 2021/22 for local authorities with responsibility for lower tier services. This was originally estimated as £471k in our MTFO, but has now been confirmed as ceasing, with the funds being rolled into the Funding Guarantee Grant;
- Market sustainability and Fair Cost of Care Fund – it was outlined at SR21 that social care reform funding would be part of Core Spending Power. In 2022/23, this was the Market Sustainability and Fair Cost of Care Fund worth £162 million, to be distributed using Relative Needs formula, designed to ensure local authorities can prepare their markets for reform (particularly the impact of section 18(3)) and move towards paying providers a fair cost of care, as appropriate to local circumstances. For 2023/24, this has been rolled into a new ASC Market sustainability and Improvement Fund and an additional £400m has been announced to address issues such as discharge delays, social care waiting times, low fee rates, and workforce pressures. This equates to £3.35m for Walsall (including the £966k), an additional allocation of £2.39m. There will be reporting requirements placed on this funding regarding performance and use of funding to support improvement against the objectives. We await these. It is proposed to utilise £1.68m of this additional grant to fund the uplifts in fees, leaving c£710k to be held centrally whilst a plan is worked up by Adult Social Care as to its proposed use;
- New Adult Social Care Discharge Fund - a £300m allocation announced for 2023/24 as part of the provisional settlement on 19 December 2022. This funding of £1.99m is required to be pooled as part of the Better Care Fund. The Government will set out further details on the conditions of this funding in due course. This was originally estimated as £2.38m in our MTFO, but has now been confirmed as £1.99m, a reduction of £0.39m. It will fund new costs of discharge. Current projections estimate the costs may be £3.87m, therefore the grant is insufficient by £1.87m. To mitigate this pressure, there are ongoing discussions to review the length of stay to try to reduce costs where possible. Discussions are to be held with ICB around the risk share proposals for this service which is joint funded via Better Care Fund as £1.66m discharge to assess beds (ICB); £1.63m reablement hours (LA). It is anticipated that utilising a combination of these mitigating actions and the ICB allocation the remaining pressure of £1.87m can be mitigated in full;
- Continuation of the 2022/23 Services Grant of £2.9m for Walsall as announced in the provisional settlement on 19 December 2022 - a shortfall against the MTFO of £1m. The grant is unringfenced. This is so local authorities can provide support across the entire sector in recognition of the vital services delivered at every level of local government;
- Council Tax administration grant of £507k has now ceased and rolled into our core funding within the top up allocation;

- Other grants are expected to continue at current levels – these include specific grants for schools (Pupil Premium, 6<sup>th</sup> Form, Teachers’ pay/pensions), Street Lighting, and Leisure related funding.

## 2.8 Growth and Investment

The following key financial planning assumptions are included and are based on best professional estimates. The approved budget 2023/24 – 2026/27 includes provision for investment and cost pressures (c£49m in 2023/24 and a further c£65m over the following 3 years), as shown in **Annex 5**, and summarised below, which are proposed to address service demand pressures linked to council priorities in the Council Plan, and the prioritisation of key services.

Primarily, investment 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;
  - Provision for contractual increases;
  - Managing the cost of energy and fuel price changes as a result of the cost of living impact.
2. *Demand, demographic changes and managing market conditions within Services (demand led cost pressures):*
  - Increases in placements/costs for children in care;
  - Increased care packages/costs within Adult Social Care arising from an increased ageing population with more complex care needs, linked to Adult Social Care, Better Care Fund and Hospital Discharge funding announced in the provisional settlement on 19 December 2022;
  - Investment to vulnerable resident’s in crisis;
  - Support to the Adult Social Care market;
  - Increase in the number of clients requiring home to school transport;
  - Increases in fostering and Special Guardianship Orders fees;
3. *Other service based pressures/investments:*
  - Investment to deliver change and new ways or working through Proud transformation;
  - Reductions in grants such as housing benefit administration grant and council tax support grant;
  - Capacity to cover additional responsibility on the local authority for elective home education and admission appeals, and attendance responsibilities introduced in new legislation;
  - Reduction in traded services income from schools;
  - Growth within Resilient Communities;
  - Management of the council’s obligations for climate change;
  - Review of ICT infrastructure requirements including Cloud/ licences and associated resources;
  - Review of resources within Support Services (Finance, Human Resources, Legal, Elections).

#### 4. Other central provisions:

- Review of the capital financing, treasury debt and investment portfolio;
- Revenue implications of the capital programme, business change initiatives and specific projects, etc

**Table 6** below summarises investment into directorates.

| <b>Table 6 : Investment by directorate</b>   |                       |                       |                       |                       |                     |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| <b>Directorate</b>                           | <b>2023/24<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> | <b>Total<br/>£m</b> |
| Adult Social Care, Public Health & Hub       | 13.05                 | 6.28                  | 3.18                  | 1.17                  | 23.67               |
| Children's, Education & Customer Engagement: |                       |                       |                       |                       |                     |
| - Children's Services                        | 17.92                 | 4.45                  | 3.98                  | 3.62                  | 29.97               |
| - Customer Engagement                        | 0.91                  | 0.55                  | 0.04                  | 0.04                  | 1.54                |
| Economy, Environment & Communities           | 3.45                  | 1.41                  | 0.52                  | 0.59                  | 5.97                |
| Resources and Transformation                 | 3.96                  | 1.65                  | 0.75                  | 0.03                  | 6.39                |
| Central / Capital Financing                  | 9.46                  | 16.08                 | 10.92                 | 10.07                 | 46.53               |
| <b>Total</b>                                 | <b>48.75</b>          | <b>30.42</b>          | <b>19.39</b>          | <b>15.51</b>          | <b>114.07</b>       |

## 2.9 Savings requirement

In order to set a balanced budget, and after a review of available resources from central Government grant and local resources, and taking into account additional known and likely pressures, total revenue reductions of £18.86m were approved by Council in February 2022 for 2022/23.

Our approach to budget setting was established in 2020 with overall financial savings expected to be delivered via Proud activity. For 2023/24 Proud work streams will continue to provide the 'enablers' to allow directorates to deliver their service transformation plans.

For 2023/24 and future years, the council's medium term financial framework has been updated to reflect the predicted changes to direct government funding, the collection fund and other known cost pressures set out in the previous sections of this report, resulting in a revised requirement to make changes to service delivery to meet a four year funding shortfall of c£46.23m as follows:

2023/24 - £15.71m

2024/25 - £8.10m

2025/26 - £13.23m

2026/27 - £9.19m

## 2.10 Walsall Proud change activity

Our approach to setting the budget from 2020/21 was different to previous years. The new approach set the overall financial savings expected to be delivered via Proud work stream activity.

Walsall Proud (WP) sets out an extensive and ambitious change agenda and initiatives designed to modernise the way the council works and deliver improved services to customers. The launch of the programme in April 2019 marked the beginning of a period of intensive activity designed to deliver sustainable improvements to both the council's existing ways of working and as a consequence, its long term budget position. As such, these improvements are set to last well beyond the term of the programme putting the council in a sustainable position for the future, able to attract, develop and retain great employees, balance competing demands for scarce resource, provide easy access to council services and play a vital role in the future of our communities.

The Proud Promises guide the decisions of the Walsall Proud Board and transformation activity. The Proud promises are:

- Improve outcomes and customer experience
- Improve employee satisfaction and engagement
- Improve service efficiency and performance

Following the March 2021 report to Cabinet regarding the next stages of Proud, Walsall Proud has developed from a formal programme into work streams supporting Walsall's continuous improvement journey with the appropriate governance, assurance and structures to support this delivery. The focus remains on transforming the way the council works and delivering on the council's Proud promises, linking to the Council plan and outcomes for the borough. Walsall Proud activity covers all council services and consists of a number of key work streams, as follows:

- Enabling Communications and Culture
- Customer Access and Management
- Designing the Ways of Working – Hub and Enabling Support Services
- Enabling Technology
- Income Generation & Cost Recovery
- Adult's Social Care – Continuous Improvement Programme

For 2023/24 Proud work streams will continue to provide the 'enablers' to allow Directorates to deliver through Service Transformation Plans (STP's).

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 - £28.90m (£26.62m after adjusting for one-offs of £2.28m). Of this £7.76m remained undelivered at the end of 2021/22, £5.35m of which had no delivery plans in place and therefore have been carried forward from 2021/22 for monitoring of delivery in 2022/23. The remaining £2.41m of benefits were delayed in implementation with full year effects of delivery expected in 2022/23.
- Approved for delivery during 2022/23 - £18.86m;
- Identified for delivery in 2023/24 - £15.71m (in this report);
- £1.99m of benefits identified but not approved;
- Identified for delivery in 2024/25 - £8.10m;
- Totalling £72.47m, resulting in the original target being met by 2024/25 (subject to the full delivery of savings as set out in this report).

Further details of the work streams and activity are shown in **Annex 6**. Proud is developed around the following ten key outcomes, aligned to Council Plan priorities:

#### Economic

- Supporting a dynamic, resilient and diverse economy where business invest and everyone has the right jobs and the right housing in the right place
- Education, training and skills enable people to contribute to their community and our economy

#### People

- People can access support in their community to keep safe and well and remain independent at home
- People are supported to maintain or improve their health, wellbeing and quality of life

#### Internal

- We get things right, first time and make all services accessible and easy to use
- The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring

#### Children

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

#### Communities

- Our communities will be more resilient and supportive of each other
- The people of Walsall feel safe in a cleaner, greener Borough

Proud savings of £15.71m are required in 2023/24 to balance the budget and these have been identified. These are summarised at **Annex 7**, split into two categories;

**A. Policy Proposals** - which require an Executive (Cabinet) 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. These total £821k in 2023/24;

**B. Operational Proposals** – savings which officers have delegations to implement; examples include restructures, back office savings, operational efficiencies. These total £14.89m in 2023/24 (£24.69m over the four years).

Savings of £15.71m in 2023/24 are summarised by Proud Outcomes in **Table 7**:

| <b>Table 7: 2023/24 Savings by Proud Outcome</b>   |   |  |                             |
|--|---|--|-----------------------------|
| <b>Outcome</b>   | <b>Policy savings<br/>Annex 7A<br/>£m</b> | <b>Operational savings<br/>Annex 7B<br/>£m</b> | <b>Total savings<br/>£m</b> |
| Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place   | (0.08)                                    | (1.16)   | (1.24)                      |
| Education, training and skills enable people to contribute to their community and our economy  | 0.00                                      | 0.00   | 0.00                        |
| People can access support in their community to keep safe and well and remain independent at home  | (0.09)                                    | (0.16)   | (0.25)                      |
| People are supported to maintain or improve their health, wellbeing and quality of life  | (0.01)                                    | (2.28)   | (2.29)                      |
| We get things right, first time and make all services accessible and easy to use   | 0.00                                      | (0.57)   | (0.57)                      |
| The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring | (0.01)                                    | (7.05)   | (7.06)                      |
| Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential   | 0.00                                      | (0.40)   | (0.40)                      |
| Children and young people grow up in connected communities and feel safe everywhere  | 0.00                                      | (2.29)   | (2.29)                      |
| Our communities will be more resilient and supportive of each other  | 0.00                                      | 0.00   | 0.00                        |
| The people of Walsall feel safe in a cleaner, greener Borough  | (0.63)                                    | (0.98)   | (1.61)                      |
| <b>Total Savings / efficiencies</b>  | <b>(0.82)</b>                             | <b>(14.89)</b>                                 | <b>(15.71)</b>              |

#### Service Transformation Planning process (STP)

Directors and their Heads of Service were tasked with completion of new STP's linking their current and future service delivery with Council priority outcomes as per the Council Plan. This will allow for identification of potential transformation activity and associated savings for future financial years. Those identified to date are outlined within this report, with the need for further review to close the financial gap from 2024/25 onwards.

The Council Plan direction of travel approach sets 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.

**Table 8** summarises savings identified for 2023/24 to 2026/27 by directorate:

| <b>Table 8 : Summary of savings by directorate</b> |                       |                       |                       |                       |                     |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| <b>Directorate</b>                                 | <b>2023/24<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>Total<br/>£m</b> |
| Adult Social Care, Public Health and Hub           | (2.05)                | (0.41)                | 0.00                  | 0.00                  | (2.46)              |
| Children's, Education and Customer Engagement:     |                       |                       |                       |                       |                     |
| - Children's Services                              | (2.68)                | (1.74)                | (0.84)                | (0.84)                | (6.10)              |
| - Customer Engagement                              | (0.73)                | 0.00                  | 0.00                  | 0.00                  | (0.73)              |
| Economy, Environment and Communities               | (3.19)                | (0.36)                | (0.01)                | 0.00                  | (3.56)              |
| Resources and Transformation                       | (1.69)                | (0.59)                | 0.00                  | 0.00                  | (2.29)              |
| Central / Capital Financing                        | (5.37)                | (5.00)                | 0.00                  | 0.00                  | (10.37)             |
| <b>Total</b>                                       | <b>(15.71)</b>        | <b>(8.10)</b>         | <b>(0.85)</b>         | <b>(0.84)</b>         | <b>(25.51)</b>      |

**Table 9** shows net investment (investment less savings) for each directorate indicating significant net investment overall of £55m over the two years 2023/24 and 2024/25, and specifically into the key priority areas of Adult Social Care and Children's Services.

| <b>Table 9 : Net investment by directorate</b> |                          |                       |                   |                          |                       |                   |
|--|--------------------------|-----------------------|-------------------|--------------------------|-----------------------|-------------------|
| <b>Directorate</b>                             | <b>2023/24</b>           |                       |                   | <b>2024/25</b>           |                       |                   |
|  | <b>Investment<br/>£m</b> | <b>Savings<br/>£m</b> | <b>Net<br/>£m</b> | <b>Investment<br/>£m</b> | <b>Savings<br/>£m</b> | <b>Net<br/>£m</b> |
| Adult Social Care, Public Health and Hub       | 13.05                    | (2.05)                | 11.00             | 6.28                     | (0.41)                | 5.87              |
| Children's, Education and Customer Engagement: |                          |                       |                   |                          |                       |                   |
| - Children's Services                          | 17.92                    | (2.68)                | 15.24             | 4.46                     | (1.73)                | 2.72              |
| - Customer Engagement                          | 0.91                     | (0.73)                | 0.18              | 0.55                     | 0.00                  | 0.55              |
| Economy, Environment and Communities           | 3.45                     | (3.19)                | 0.25              | 1.41                     | (0.36)                | 1.05              |
| Resources and Transformation                   | 3.96                     | (1.69)                | 2.27              | 1.65                     | (0.59)                | 1.05              |
| Central / Capital Financing                    | 9.46                     | (5.37)                | 4.10              | 16.08                    | (5.00)                | 11.08             |
| <b>Total</b>                                   | <b>48.75</b>             | <b>(15.71)</b>        | <b>33.04</b>      | <b>30.42</b>             | <b>(8.10)</b>         | <b>22.32</b>      |

**Annex 1** outlines the indicative cash limit for 2023/24 by directorate, and **Annex 2** by outcome. **Annex 4** outlines indicative cash limits by directorate over the four year period to 2026/27.

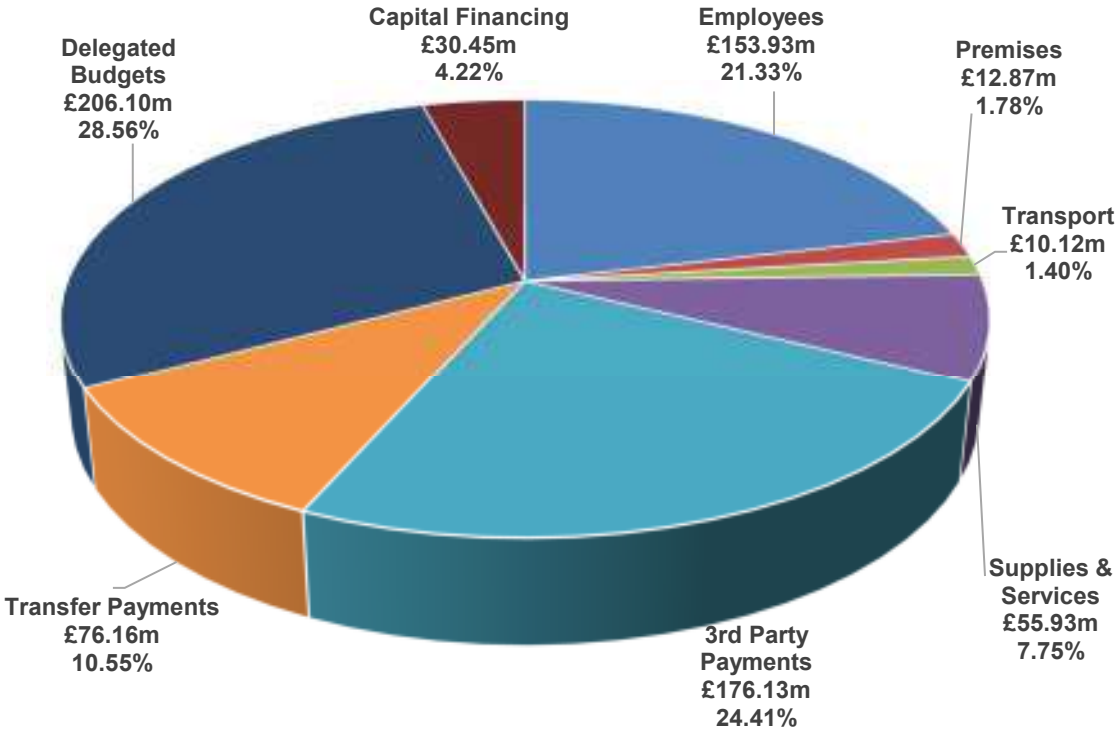
## 2.11 Expenditure and Income

### Expenditure analysis

The council analyses its expenditure by category, as referred to in **Table 10**, and illustrated in **figure 3**.

| Table 10: Expenditure by Category of Spend              |               |
|---|---------------|
| Type of Expenditure                                     | £m            |
| Employees   | 153.93        |
| Premises and Transport                                  | 22.99         |
| Supplies and Services                                   | 55.93         |
| Third Party Payments                                    | 176.13        |
| Delegated Budgets                                       | 206.10        |
| Leasing and Capital Financing                           | 30.45         |
| Transfer Payments                                       | 76.16         |
| <b>Total Expenditure (excluding Internal Recharges)</b> | <b>721.69</b> |

**Figure 3 – Spend by Type of Expenditure**



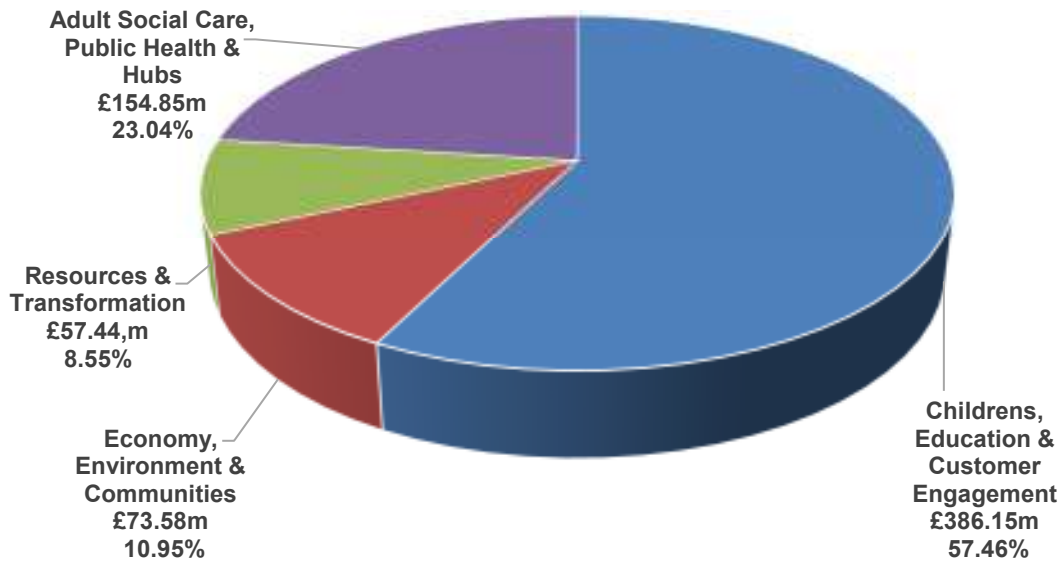
### Notes

- 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.

The total council expenditure is analysed by directorate in **figure 4a** and outcome in **figure 4b**. For Children’s, Education and Customer Engagement, 15.05% of the £385.99m relates to Housing Benefit payments and 53.40% relates to Schools.

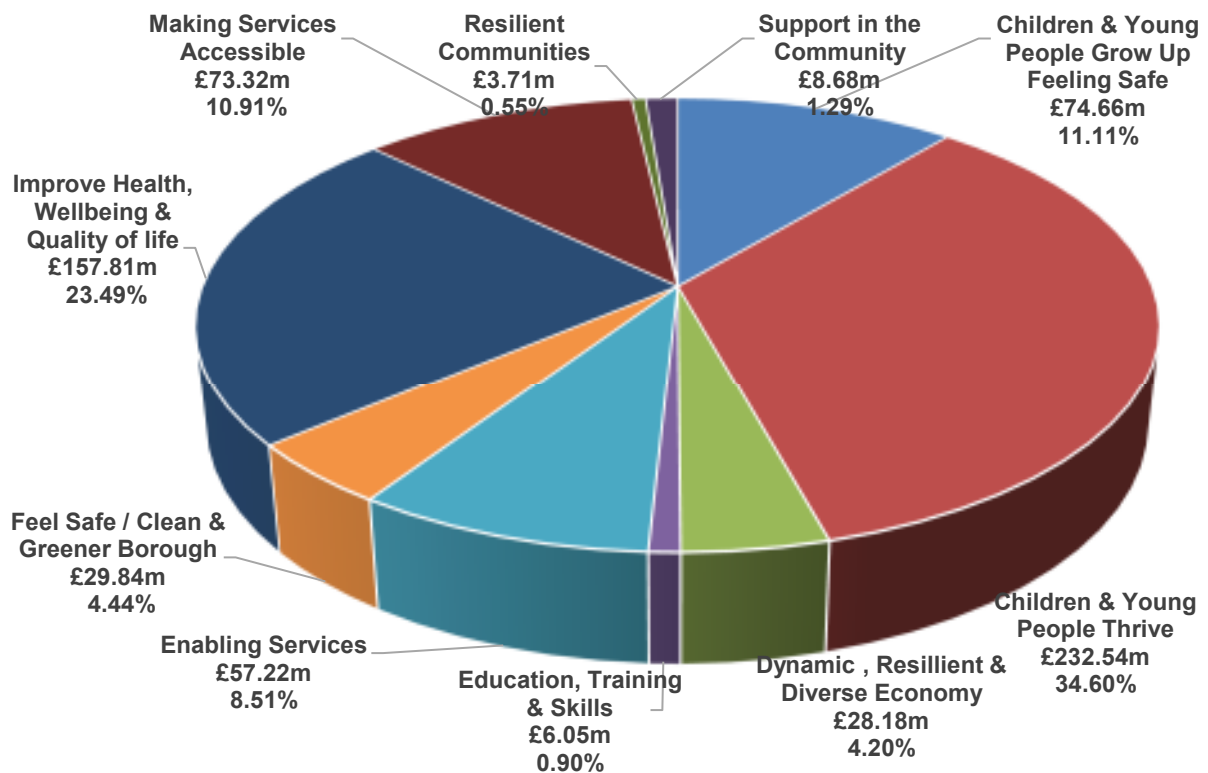


**Figure 4a – Gross expenditure by directorate**



Note: Figure 4a excludes centrally held and capital financing gross expenditure budgets

**Figure 4b – Gross expenditure by outcome**

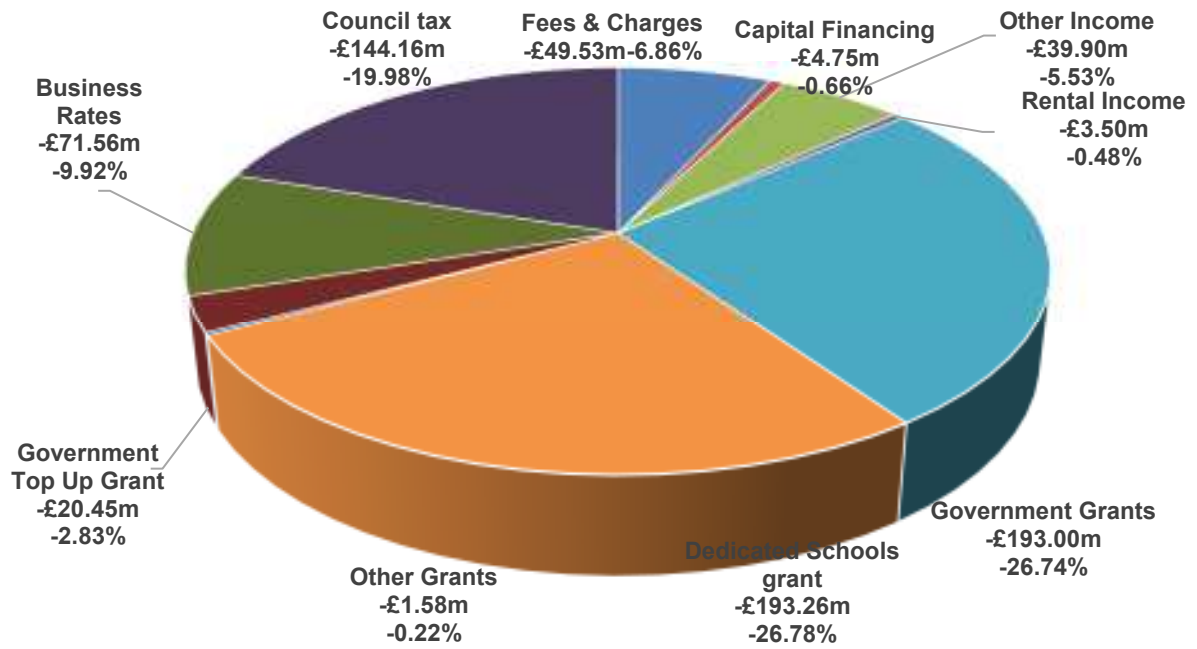


Note: Figure 4b excludes centrally held and capital financing gross expenditure budgets

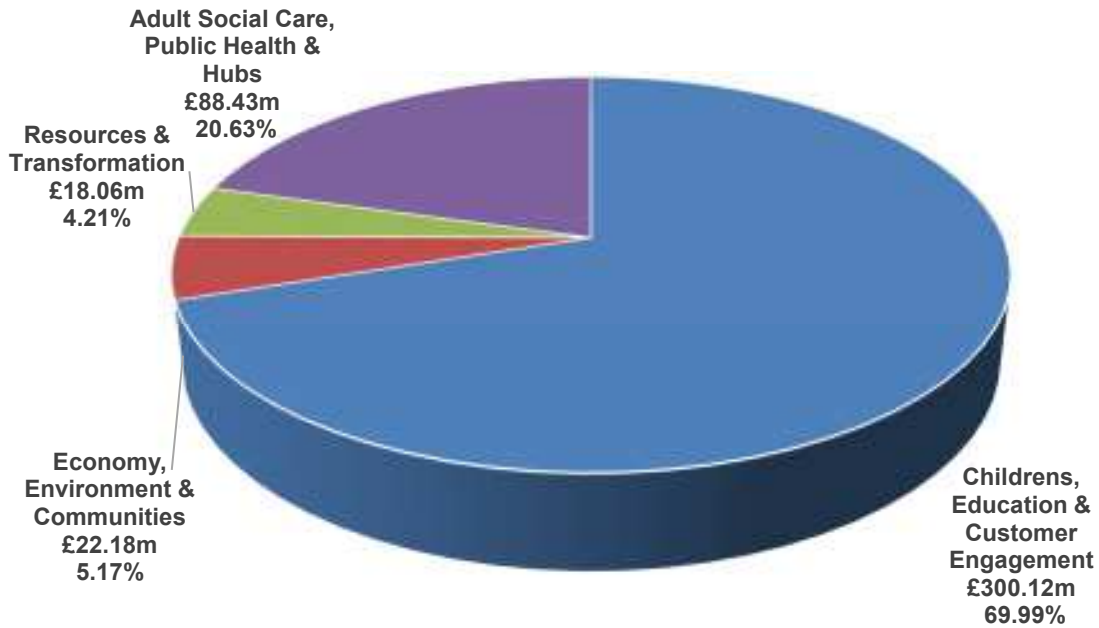
Income analysis

The council receives income from a number of sources including council tax, Central Government grant and specific grants to help pay for certain services including schools and social care. The council also charges for some services, such as parking, use of leisure facilities, etc. In 2023/24 the council tax will account for c20% of total income. **Figure 5** shows all the main sources of income, which is analysed by directorate at **Figure 5a** and by outcome at **Figure 5b**.

**Figure 5 – Sources of income**

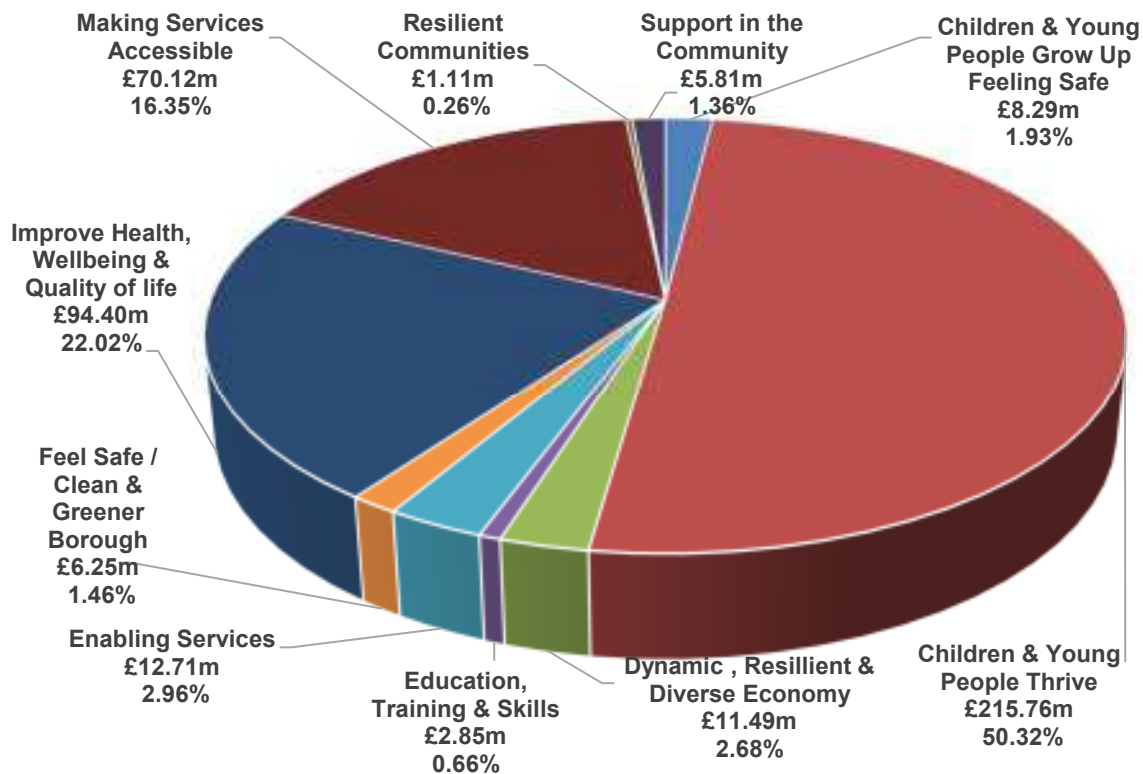


**Figure 5a – Gross income by directorate**



*Note: Figure 5a excludes centrally held and capital financing gross income budgets*

**Figure 5b – Gross income by outcome**



*Note: Figure 5b excludes centrally held and capital financing gross income budgets*

Council services are required to annually review their fees and charges to ensure they remain relevant, competitive, and recover appropriate costs of running the service (where applicable). Through the Income Generation and Cost Recovery workstream of the Councils Proud redesign activity, it was recommended for the Council to annually publish a central fees and charges register of all charges levied on the Councils webpage, and for this to be annually reviewed. The fees and charges register for 2022/23 is a key document on the publications page, and can be accessed by the following link – [Publications | Walsall Council](#)

This document will be updated for 2023/24 charges once they have been finalised following approval of the 2023/24 budget.

## 2.12 General / Earmarked Reserves and Contingencies

The council’s MTF sets out how the council will structure and manage its finances now and in the future to ensure it continues to demonstrate financial stability and to ensure this facilitates delivery of the council plan objectives.

The council’s statutory S151 Officer produces the Framework and advises on the level of reserves, in accordance with statute, best practice, professional opinion and the council’s MTF. In accordance with Section 25 of the Local Government Act 2003 and to comply with CIPFA guidance on local authority reserves and balances, the S151 Officer is required to formally consider and report to members upon the adequacy of reserves in respect of the 2023/24 budget, as outlined in **Annex 11**.

Additionally, this requirement covers reporting on the robustness of the estimates used for the purpose of calculating the budget.

The Government is planning to fundamentally change the way in which local government is funded, which increases the financial risk to the council. As such, and in accordance with statute and best practice, the level and nature of reserves have been reviewed as part of the budget process.

### **3. Summary of the 2023/24 Capital Programme**

Following the publication of the revised Prudential Code for Capital Finance in Local Authorities 2017, there is a requirement for councils to produce a Capital Strategy. This should “*set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk, reward and impact on the achievement of priority outcomes.*” The revised Capital and Investment Strategy is set out at **Annex 8**.

The council has an asset portfolio of £570m as at 31 March 2022. Therefore, managing and maintaining these assets is a key issue for the council to ensure they continue to be fit for purpose and their value is maintained. The capital programme is key to delivering the council’s vision and priorities.

Due to the diverse nature of capital expenditure, each capital scheme impacts on residents in different ways according to their use of council facilities and services. The capital programme has been constructed within the principles outlined in our Capital Strategy. This document drives the construction and management of the capital programme. The Strategy reflects and enables delivery of the council’s vision and priorities and approved schemes must deliver that aim. It also requires the council to optimise successful partnership working for example through the Walsall Partnership, NHS Walsall, registered social landlords and regionally with other councils.

The 2023/24 capital programme totals £221.01m, as detailed in **Annex 9**, and is presented in two parts:

- A. Council funded programme (£110.45m – inclusive of £58.91m forecast carry forward from 2022/23) - funded through borrowing and capital receipts (**Table 11/12**). Of this £1m is identified for council wide schemes, funding to support essential works including health and safety and other projects that cannot be guaranteed at the start of the year.

A provision of £40m was approved by Council in February 2021, with a further £30m approved by Council in February 2022, a total of £70m set aside over the 5 year period 2021/22 to 2025/26 for council development investment opportunities, including emerging regeneration schemes and major capital projects. This provision has been increased by a further £29m over the period to provide funding to support those schemes in development stages as outlined at **Annex 9(a5)**. This includes schemes where funding or match funding is required (subject to external funding bidding processes) in order for some of these projects to progress as there is insufficient headroom within the existing capital programme to fund all of these development opportunities. This provision is held centrally. Of the £99m total provision, approximately £52m has been allocated, with the remaining £47m (development investment line referred to in **Annex 9(a3)**) to be allocated. 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.

- B. Non-council funded programme (£110.56m – inclusive of £62.15m forecast carry forward from 2022/23) - funded from capital grants and other external contributions (**Table 13**).

In addition, the council’s leasing programme for 2023/24 is £1.48m, the revenue costs of which are included in the revenue budget (**Table 14**).

Capital resources will continue to be limited in the future, inevitably placing more pressure on our ability to make future capital investment decisions. Funding will be more reliant on the council's ability to secure capital receipts from sale of land and buildings or affordable additional borrowing. A strategic review of assets is being undertaken as part of the Corporate Landlord work stream of Proud, which will inform the revision of the Capital Strategy and formulation of future years capital programmes.

Following consultation during 2020, HM Treasury revised access requirements for local authorities seeking to access borrowing from the Public Works and Loans Board (PWLB). These revisions mean that Local Authorities will not be able to access PWLB borrowing to buy investment property with the primary aim of 'generating yield', and specifically to access PWLB funding authorities will need to submit three year capital plans to PWLB, with the S151 officer confirming that there is no intention to buy investment properties primarily for yield at any point within those three years.

If there are any intentions by the authority to buy investment properties primarily for yield within the four year capital programme then PWLB will not be able to lend to the authority for the period of that programme. HM Treasury have also confirmed that where local authorities do seek to pursue debt-for-yield projects which they finance in other ways, such as through the use of internal cash balances or borrowing from other financial institutions, they would then not be able to access PWLB borrowing to refinance this element of debt going forwards. Walsall are not intending to pursue debt for yield.

As interest rates on PWLB borrowing are normally more favourable than other forms of borrowing, being unable to access PWLB and having to seek borrowing from other financial institutions is therefore likely to increase the overall revenue costs required to fund the elements of the councils capital programme which are funded from borrowing – for example every 1% increase in interest costs on a four year capital programme including circa £151m of capital spending funded from borrowing (similar to the level included within this report, excluding carry forward from 2022/23) would add £1.51m of additional ongoing revenue costs per year by the end of the four year period.

### **Council Funded Programme: Funded from Walsall's own resources**

#### Funding

The council funded element of the capital programme is normally financed from borrowing, capital receipts and the carry forward of unspent allocations from previous years.

Borrowing is required to be funded from the council's own resources – generated through savings, and/or paid for via council tax. (This is also commonly known as unsupported or Prudential borrowing). Councils are allowed to borrow in accordance with the Treasury Management Code of Practice. The current capital financing / services cash limit is forecast to be able to support £50.02m of additional borrowing to fund high priority items in 2023/24 (excluding carry forwards from 2022/23).

**Annex 10** sets out the council's Flexible Use of Capital Receipts Strategy, which will utilise eligible new receipts to fund elements of the council's Proud Programme. **Table 11** shows planned resources to fund the mainstream capital programme for the four years from 2023/24.

| <b>Table 11 : Draft Capital Programme 2023/24 to 2026/27 (Council Funded)</b> |                       |                       |                       |                       |                     |
|---|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| <b>Anticipated Capital Resources</b>  | <b>2023/24<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> | <b>Total<br/>£m</b> |
| Capital receipts projected  | 1.50                  | 1.50                  | 1.50                  | 1.50                  | 6.00                |
| General borrowing as per Council 24 February 2022                             | 7.10                  | 4.67                  | 4.67                  | 4.67                  | 21.11               |
| Other scheme borrowing as per Council 24 February 2022                        | 34.60                 | 25.80                 | 13.04                 | 0.00                  | 73.43               |
| Carry Forwards from previous years - Enterprise Zones                         | 0.39                  | 2.71                  | 0.00                  | 0.00                  | 3.10                |
| Revenue contribution to capital   | 0.02                  | 0.02                  | 0.02                  | 0.02                  | 0.08                |
| <b>Funding as approved by Council 24 February 2022</b>                        | <b>43.60</b>          | <b>34.70</b>          | <b>19.23</b>          | <b>6.19</b>           | <b>103.72</b>       |
| Borrowing for new schemes / development                                       | 7.93                  | 31.04                 | 4.28                  | 3.87                  | 47.12               |
| Forecast carry forward from 2022/23   | 58.91                 | 0.00                  | 0.00                  | 0.00                  | 58.91               |
| <b>Total Council Funding</b>  | <b>110.45</b>         | <b>65.74</b>          | <b>23.51</b>          | <b>10.06</b>          | <b>209.75</b>       |

Carry forwards from 2022/23 are estimated based on the forecast position at December 2022 (£58.91m council funded and £62.15m external funded), which are included in the capital programme at **Annex 9**. All carry forwards will be reported to Cabinet for approval alongside the outturn position for 2022/23 once finalised. This currently includes £4m set aside for Flexible Use of Capital Receipts.

#### Capital Schemes

For 2023/24 services were asked to review current and future schemes included in the capital programme approved by Council in February 2022. Requests for new allocations were considered in line with council priorities and the work of the Proud change programme. Details can be found in **Annex 9A** and are summarised by directorate in **Table 12** below.

| <b>Table 12: Capital Programme 2023/24 by Directorate (Council funded)</b> |                                     |  |                                   |  |
|--|-------------------------------------|--|-----------------------------------|--|
| <b>Directorate</b>   | <b>Rolling<br/>Programme<br/>£m</b> | <b>Prior Year<br/>Approvals<br/>£m</b> | <b>New<br/>allocations<br/>£m</b> | <b>Total<br/>Council<br/>Funded<br/>£m</b> |
| Adult Social Care, Public Health and Hub                                   | 0.00                                | 0.00                                   | 0.00                              | 0.00                                       |
| Children's, Education and Customer Engagement                              | 0.49                                | 1.07                                   | 1.00                              | 2.55                                       |
| Economy, Environment and Communities                                       | 3.21                                | 52.83                                  | 1.51                              | 57.55                                      |
| Resources and Transformation   | 0.00                                | 19.92                                  | 5.25                              | 25.17                                      |
| Centrally held budgets *   | 1.47                                | 23.21                                  | 0.50                              | 25.18                                      |
| <b>Total Council Funded Capital</b>  | <b>5.17</b>                         | <b>97.02</b>                           | <b>8.26</b>                       | <b>110.45</b>                              |

\*Centrally held relates to £1.47m (inclusive of £468k carried forward from 2022/23) funding to support essential works, including health and safety e.g. retained housing land, asbestos removal, statutory testing, legionella, fire risk, demolition of redundant buildings, planned maintenance, risk management and self-insured property damage; £4m carried forward from 2022/23 for Flexible use of Capital Receipts; and a further £19.21m (inclusive of £14.82m carried forward from 2022/23) for pipeline development investment opportunities/contingency, which will be allocated in year subject to a full business case being approved by Cabinet.

Schemes are recommended to go ahead for a number of reasons:

- Address policy including;
  - Support with cost of living
  - Creating jobs and helping people get new skills
  - Improving educational achievements
  - Helping local high streets and communities
  - Help create more affordable housing
  - Promoting health and wellbeing
  - Ensuring a modern effective council (including ICT infrastructure)
- Return on investment / asset management - schemes that unlock external investment in the borough; drive out long term revenue savings; support the strengthening of the borough's economy; deliver an efficient and effective operational estate; and invests in assets to grow future income streams for the council;
- Supports the delivery of ongoing benefits identified through the Proud change programme;
- Capital insurance reserves: to protect the council's position, for which funding is available should the need arise to draw it down;
- Priority schemes for which external funding can be drawn down and which may or may not require a contribution from the councils own resources.

All capital schemes were reviewed by the Corporate Management Team and Strategic Investment Board, prior to formal consideration by Cabinet for recommendation to Council. The draft capital programme was also scrutinised by Overview and Scrutiny Committees. Whilst the overall demand for resources usually exceeds those available, schemes deemed to be a high priority in terms of reflecting the council's priorities can be funded, representing a balanced programme for 2023/24 with indicative allocations which are subject to further review for 2024/25 onwards.

### Externally Funded Programme

Full details of externally funded schemes are found in the capital programme at **Annex 9B** and are summarised in **Table 13** below. Many of these are indicative allocations pending formal notification from the respective funding bodies, and the capital programme will be adjusted in year to reflect final allocations. Certain schemes can go ahead as these are either fully funded by grant or have the necessary mainstream match funding already approved. If grant or mainstream funding is unavailable then the scheme will not go ahead.

| <b>Table 13: Externally Funded Capital Programme 2023/24 by Directorate</b> |                                  |                                       |                             |
|---|----------------------------------|---------------------------------------|-----------------------------|
| <b>Directorate</b>  | <b>Government Funding<br/>£m</b> | <b>Third Party / External*<br/>£m</b> | <b>Total Funding<br/>£m</b> |
| Adult Social Care, Public Health and Hub                                    | 0.00                             | 0.00                                  | 0.00                        |
| Children's, Education and Customer Engagement                               | 54.02                            | 0.00                                  | 54.02                       |
| Economy, Environment and Communities  | 17.42                            | 0.05                                  | 17.47                       |
| Resources and Transformation  | 15.50                            | 23.57                                 | 39.07                       |
| Centrally held budgets  | 0.00                             | 0.00                                  | 0.00                        |
| <b>Total Externally Funded Capital</b>                                      | <b>86.94</b>                     | <b>23.62</b>                          | <b>110.56</b>               |

*\*Walsall is Accountable Body for Growth Deal, Towns Deal and Land & Property Investment Fund*



## Leasing Programme

The 2023/24 leasing programme totals £1.48m, summarised in **Table 14** 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.

| <b>Table 14: Leasing Programme</b> | <b>Capital<br/>£m</b> | <b>Revenue<br/>£m</b> |
|------------------------------------|-----------------------|-----------------------|
| Equipment                          | 0.00                  | 0.01                  |
| Light Commercial vehicles          | 1.38                  | 0.60                  |
| Refuse Vehicles                    | 3.00                  | 0.59                  |
| Tractors & Agricultural Implements | 0.48                  | 0.27                  |
| Welfare vehicles                   | 0.47                  | 0.01                  |
|                                    | <b>5.33</b>           | <b>1.48</b>           |

There is expected to be a carry forward from 2022/23 which is dependent on timings on acquisition of vehicles.

## **4. Medium term financial outlook – 2024/25 onwards**

### **Revenue**

Key sources of funding, in particular fees and charges, government core grant and specific grants are assessed on a regular basis, along with emerging cost pressures. The focus is on forward planning to ensure financial risk is managed and mitigated and all known liabilities are funded, including the cost of capital investment decisions.

As referred to in section 2, Walsall Council, via the West Midlands Combined Authority, has been designated a pilot for the 100% business rates retention scheme, which has been confirmed to continue into 2023/24.

The provisional settlement for 2023/24 confirmed that the Government will not proceed with the implementation of the Review of Relative Needs and Resources (formerly the Fair Funding Review) and Business Rates Reforms during 2023/24. 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 was abandoned in November 2021 as it went against the governments levelling up agenda and it was announced that they would look at introducing a new mechanism for redistributing funding to the authorities most in need. This has still to be introduced and although there will not be any changes for 2023/24 this initiative is still on the governments agenda and could be introduced from 2024/25.

The government expects national increases in growth in business rate yields to fully offset any reduction in future core funding. The reality is that Walsall, due to its relative need and business rate yield, may not be able to fully cover funding shortfalls, if they arise from 2024/25 onwards. This is potentially exacerbated further by the ongoing impact of the pandemic and on cost of living increases. Assumptions have been made in our medium term financial outlook around overall changes to government spending for this period, along with known cost reductions and pressures.

The last Spending Review (SR21) was in October 2021 which set out the economic forecast and departmental budgets for the three year period 2022/23 to 2024/25. We have not received any indication as to when the next Spending Review is likely to be for the period from 2024/25 and beyond, therefore ongoing funding allocations still remain uncertain.

A balanced budget is reported for 2023/24, with savings of £15.71m to be delivered through Proud. An indicative balanced budget is also reported for 2024/25 with a savings requirement of £8.10m, with a further c£30.52m of savings required over the period 2025/26 to 2026/27. All proposed savings from 2024/25 are subject to full delivery plans.

This budget provides the council with a sound opportunity to plan ahead and seek to rebalance the budget to deliver its Council Plan priorities, and allows it flexibility to adapt to an ever changing climate.

As referred to in Section 2, further details on Proud work streams and current activity are shown in **Annex 6**.

**Annex 4** outlines indicative cash limits by directorate and the required phasing of implementation of Proud change initiatives to deliver a balanced budget over the period to 2026/27, summarised in **Table 15**.

**Table 15 : Revenue cash limits by directorate**

| Directorate                                   | Indicative<br>2023/24<br>£m | Indicative<br>2024/25<br>£m | Indicative<br>2025/26<br>£m | Indicative<br>2026/27<br>£m |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Adult Social Care, Public Health and Hub      | 69.50                       | 71.83                       | 74.49                       | 75.26                       |
| Children's, Education and Customer Engagement | 88.72                       | 92.01                       | 95.21                       | 98.05                       |
| Economy and Environment                       | 46.66                       | 47.63                       | 48.14                       | 48.73                       |
| Resources and Transformation                  | 37.84                       | 38.89                       | 39.68                       | 39.76                       |
| <b>Net Portfolio Cash Limits</b>              | <b>242.71</b>               | <b>250.37</b>               | <b>257.52</b>               | <b>261.79</b>               |
| Levies  | 11.70                       | 11.96                       | 12.66                       | 12.91                       |
| Central budgets *                             | (110.25)                    | (112.84)                    | (116.66)                    | (117.07)                    |
| <b>Council Tax Requirement</b>                | <b>144.16</b>               | <b>149.49</b>               | <b>153.51</b>               | <b>157.63</b>               |

\*Central budgets includes direct Government funding and business rates.

Directors continue to work on the delivery plans for these future opportunities, but a projection of likely work theme opportunities to be taken forward which will significantly contribute to the savings requirement over the next three years is shown in **table 16** below. Additional work in identifying further options for Members consideration, including a full review of the services the council provides and benchmarking will be included in a future report to Cabinet, outlining further options to balance the budget beyond 2024/25. For 2024/25, a prudent £5m has been included in the list of savings at Annex 7 (saving OP67).

**Table 16: Future Benefits by Theme**

| Workstream / Theme                         | 2024/25<br>£m | 2025/26<br>£m | 2026/27<br>£m | Total<br>£m    |
|--|---------------|---------------|---------------|----------------|
| Income Generation & Cost Recovery          | (3.00)        | (2.00)        | (2.00)        | (7.00)         |
| Enabling Support Services including Assets | (1.00)        | (1.00)        | (1.00)        | (3.00)         |
| Third Party Spend                          | (3.00)        | (2.00)        | (2.00)        | (7.00)         |
| Enabling Technology                        | (0.50)        | (0.50)        | (0.50)        | (1.50)         |
| Customer Access Management                 | (2.00)        | (1.50)        | (1.50)        | (5.00)         |
| Partnerships                               | 0.00          | (0.50)        | (1.00)        | (1.50)         |
| <b>Total Future Benefits</b>               | <b>(9.50)</b> | <b>(7.50)</b> | <b>(8.00)</b> | <b>(25.00)</b> |

### **Capital**

Capital programme resources are limited. The financing for capital expenditure on new investments is heavily reliant on grants and other funding received from the Government. The Government is clearly, in the medium term, planning to significantly reduce government financed capital spending.

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. 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 unsupported borrowing incurs ongoing revenue debt charges and impacts on council tax

payers.

Capital allocations and grants from government and other sources have not yet been published, therefore best estimates have been used, based on published information to date. Any further reduction in funding will require amendments to the programme.

Despite the above difficulties, significant investment is planned and funded over the four years 2023/24 to 2026/27. The capital programme is balanced for 2023/24. The council is able to fund all existing commitments and has, through prioritisation of bids and resources and sound treasury management, been able to support new investment into key services, and areas of capital investment need.

The list of capital schemes included in the capital programme for 2023/24 to 2026/27 are shown in **Annex 9. Table 17** shows the capital programme against predicted available resources. **Table 18** summarises the capital programme by directorate, and **Table 19** by council outcome.

| <b>Table 17 : Capital Programme</b>           |                       |                       |                       |                       |                     |
|---|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| <b><u>Anticipated Capital Resources</u></b>   | <b><u>2023/24</u></b> | <b><u>2024/25</u></b> | <b><u>2025/26</u></b> | <b><u>2026/27</u></b> | <b><u>Total</u></b> |
|   | <b>£m</b>             | <b>£m</b>             | <b>£m</b>             | <b>£m</b>             | <b>£m</b>           |
| Council resources as shown in <b>table 11</b> | 110.45                | 65.75                 | 23.51                 | 10.05                 | 209.76              |
| External Funding                              | 110.56                | 51.54                 | 25.49                 | 18.10                 | 205.69              |
| <b>Total capital resources</b>                | <b>221.01</b>         | <b>117.29</b>         | <b>49.00</b>          | <b>28.15</b>          | <b>415.45</b>       |
| <b><u>Capital Schemes</u></b>                 |                       |                       |                       |                       |                     |
| Rolling Programme Schemes                     | 5.17                  | 4.65                  | 4.65                  | 4.65                  | 19.11               |
| Prior Year Approvals                          | 43.13                 | 23.89                 | 5.86                  | 0.68                  | 73.56               |
| Development Investment*                       | 53.89                 | 34.82                 | 10.45                 | 2.44                  | 101.60              |
| New capital allocations                       | 8.26                  | 2.39                  | 2.55                  | 2.29                  | 15.50               |
| <b>Total council funded schemes</b>           | <b>110.45</b>         | <b>65.75</b>          | <b>23.51</b>          | <b>10.05</b>          | <b>209.76</b>       |
| Externally funded schemes                     | 110.56                | 51.54                 | 25.49                 | 18.10                 | 205.68              |
| <b>Total capital programme</b>                | <b>221.01</b>         | <b>117.29</b>         | <b>49.00</b>          | <b>28.15</b>          | <b>415.45</b>       |
| <b>Funding shortfall (surplus)</b>            | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>         |

\* subject to a full business case being approved by Cabinet.

| <b>Table 18 : Capital Programme by directorate</b> |                |                |                |                |               |
|--|----------------|----------------|----------------|----------------|---------------|
| <b>Directorate</b>                                 | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> | <b>Total</b>  |
|  | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>     |
| Adult Social Care, Public Health and Hub           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00          |
| Children's, Education and Customer Engagement      | 56.58          | 14.17          | 13.95          | 13.95          | 98.65         |
| Economy, Environment and Communities               | 75.02          | 61.02          | 17.54          | 9.87           | 163.45        |
| Resources and Transformation                       | 64.24          | 19.34          | 10.84          | 1.46           | 95.88         |
| Centrally held budgets *                           | 25.18          | 22.76          | 6.66           | 2.87           | 57.47         |
| <b>Capital Programme by directorate</b>            | <b>221.01</b>  | <b>117.29</b>  | <b>49.00</b>   | <b>28.15</b>   | <b>415.45</b> |

\*Centrally held relates to an annual allocation of £1m funding to support essential works, including health

and safety e.g. LSVT retained housing land, asbestos removal, statutory testing, legionella, fire risk, demolition of redundant buildings, planned maintenance, risk management and self-insured property damage, and an annual allocation of £500k for minor capital works. A further £4m is carried forward from 2022/23 for Flexible use of Capital Receipts, along with £47m over four years is set aside for unallocated pipeline development investment opportunities/contingency, which will be allocated in year subject to a full business case being approved by Cabinet.

| <b>Table 19 : Capital Programme by Outcome</b>   |                       |                       |                       |                       |                     |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| <b>Outcome</b>   | <b>2023/24<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> | <b>Total<br/>£m</b> |
| Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place   | 113.74                | 86.73                 | 29.79                 | 11.07                 | 241.33              |
| Education, training and skills enable people to contribute to their community and our economy  | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                |
| People can access support in their community to keep safe and well and remain independent at home  | 7.04                  | 4.69                  | 4.69                  | 4.69                  | 21.11               |
| People are supported to maintain or improve their health, wellbeing and quality of life  | 2.51                  | 2.02                  | 1.76                  | 1.02                  | 7.31                |
| We get things right, first time and make all services accessible and easy to use   | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                |
| The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring | 26.17                 | 4.27                  | 3.20                  | 1.81                  | 35.46               |
| Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential   | 49.18                 | 9.26                  | 9.26                  | 9.26                  | 76.97               |
| Children and young people grow up in connected communities and feel safe everywhere  | 0.36                  | 0.21                  | 0.00                  | 0.00                  | 0.57                |
| Our communities will be more resilient and supportive of each other  | 0.58                  | 0.00                  | 0.00                  | 0.00                  | 0.58                |
| The people of Walsall feel safe in a cleaner, greener Borough  | 21.43                 | 10.09                 | 0.30                  | 0.30                  | 32.12               |
| <b>Capital Programme by Outcome</b>  | <b>221.01</b>         | <b>117.29</b>         | <b>49.00</b>          | <b>28.15</b>          | <b>415.45</b>       |

## Part 1 Annex 1: Summary of Corporate Revenue Budget 2023/24 by Directorate

| DIRECTORATE   | 2022/23<br>REVISED<br>FORECAST<br>£ | BASE BUDGET<br>ADJUSTMENTS<br>£ | INVESTMENT<br>AND<br>PRESSURES<br>(Annex 5)<br>£ | INDICATIVE<br>SAVINGS *<br>(Annex 7)<br>£ | 2023/24<br>FORECAST<br>BUDGET<br>£ |
|---|-------------------------------------|---------------------------------|--|---|------------------------------------|
| Adult Social Care, Public Health & Hub                        | 62,710,357                          | (4,214,816)                     | 13,047,767                                       | (2,045,832)                               | 69,497,476                         |
| Children's, Education & Customer Engagement                   | 73,062,965                          | 238,099                         | 18,828,750                                       | (3,413,160)                               | 88,716,654                         |
| Economy, Environment & Communities                            | 47,216,213                          | (813,842)                       | 3,448,523  | (3,191,264)                               | 46,659,630                         |
| Resources & Transformation                                    | 35,719,754                          | (143,776)                       | 3,955,564  | (1,694,998)                               | 37,836,544                         |
| <b>TOTAL SERVICES</b>   | <b>218,709,289</b>                  | <b>(4,934,335)</b>              | <b>39,280,604</b>                                | <b>(10,345,254)</b>                       | <b>242,710,304</b>                 |
| Non-service specific prudence/central items/capital financing | (80,974,239)                        | (36,838,709)                    | 9,262,096  | (5,367,500)                               | (113,918,352)                      |
| <b>Levies:</b>  |                                     |                                 |  |   |                                    |
| West Midlands Combined Authority Transport Levy               | 11,411,844                          | 0                               | 202,356  | 0   | 11,614,200                         |
| Environment Agency  | 85,178                              | 0                               | 0  | 0   | 85,178                             |
| <b>NET REVENUE EXPENDITURE</b>                                | <b>149,232,072</b>                  | <b>(41,773,044)</b>             | <b>48,745,056</b>                                | <b>(15,712,754)</b>                       | <b>140,491,330</b>                 |
| (Use of)/contribution to reserves                             | (10,806,823)                        | 14,478,535                      | 0  | 0   | 3,671,712                          |
| <b>TOTAL COUNCIL TAX REQUIREMENT</b>                          | <b>138,425,249</b>                  | <b>(27,294,509)</b>             | <b>48,745,056</b>                                | <b>(15,712,754)</b>                       | <b>144,163,042</b>                 |

\* Indicative savings based on the current Proud change delivery plan which is subject to review in year as the pace of change in confirmed.

## Part 1 Annex 2: Summary of Corporate Revenue Budget 2023/24 by Outcome

| <b>OUTCOME</b>   | <b>2022/23<br/>REVISED<br/>FORECAST<br/>£</b> | <b>BASE BUDGET<br/>ADJUSTMENTS<br/>£</b> | <b>INVESTMENT<br/>AND<br/>PRESSURES<br/>(Annex 5)<br/>£</b> | <b>INDICATIVE<br/>SAVINGS*<br/>(Annex 7)<br/>£</b> | <b>2023/24<br/>FORECAST<br/>BUDGET<br/>£</b> |
|--|---|--|---|--|--|
| Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place   | <b>17,350,884</b>                             | (221,308)                                | 841,819   | (1,245,785)  | <b>16,725,610</b>                            |
| Education, training and skills enable people to contribute to their community and our economy  | <b>3,178,498</b>                              | (6,137)                                  | 175,112   | (761)  | <b>3,346,712</b>                             |
| People can access support in their community to keep safe and well and remain independent at home  | <b>2,013,277</b>                              | (4,537)                                  | 155,040   | (250,787)  | <b>1,912,993</b>                             |
| People are supported to maintain or improve their health, wellbeing and quality of life  | <b>61,159,424</b>                             | (4,630,427)                              | 12,797,375  | (2,289,538)  | <b>67,036,834</b>                            |
| We get things right, first time and make all services accessible and easy to use   | <b>1,705,785</b>                              | 494,548                                  | 828,114   | (573,646)  | <b>2,454,801</b>                             |
| The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring | <b>(40,832,691)</b>                           | (22,499,874)                             | 14,162,278  | (7,062,498)  | <b>(56,232,785)</b>                          |
| Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential   | <b>17,363,146</b>                             | (250,133)                                | 1,694,988   | (396,000)  | <b>18,412,001</b>                            |
| Children and young people grow up in connected communities and feel safe everywhere  | <b>51,396,722</b>                             | 0  | 16,189,014  | (2,286,373)  | <b>65,299,363</b>                            |
| Our communities will be more resilient and supportive of each other  | <b>2,158,473</b>                              | 68,354                                   | 423,999   | 0  | <b>2,650,826</b>                             |
| The people of Walsall feel safe in a cleaner, greener Borough  | <b>22,931,731</b>                             | (244,995)                                | 1,477,317   | (1,607,366)  | <b>22,556,687</b>                            |
| <b>TOTAL COUNCIL TAX REQUIREMENT</b>   | <b>138,425,249</b>                            | <b>(27,294,509)</b>                      | <b>48,745,056</b>   | <b>(15,712,754)</b>                                | <b>144,163,042</b>                           |

\* Indicative savings based on the current Proud change delivery plan which is subject to review in year as the pace of change in confirmed.

## Part 1 Annex 3: Council Tax Data 2023/24

### 1. COUNCIL TAX EXCLUDING PRECEPTS (WALSALL COUNCIL ONLY)

#### **A. LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (67% of Properties)**

| BAND     | WEIGHT     | 2022/23<br>C.TAX | 2023/24<br>C.TAX | ANNUAL<br>CHANGE | OF WHICH<br>ASC RELATED | ANNUAL<br>INCREASE | WEEKLY<br>INCREASE | DAILY<br>INCREASE |
|----------|------------|------------------|------------------|------------------|-------------------------|--------------------|--------------------|-------------------|
|          |            | £                | £                | £                | £                       | %                  | £                  | £                 |
| A        | 6/9        | 1,285.23         | 1,323.65         | 38.43            | 0.00                    | 2.99%              | 0.74               | 0.11              |
| B        | 7/9        | 1,499.43         | 1,544.26         | 44.83            | 0.00                    | 2.99%              | 0.86               | 0.12              |
| C        | 8/9        | 1,713.63         | 1,764.87         | 51.24            | 0.00                    | 2.99%              | 0.98               | 0.14              |
| <b>D</b> | <b>9/9</b> | <b>1,927.84</b>  | <b>1,985.48</b>  | <b>57.64</b>     | <b>0.00</b>             | <b>2.99%</b>       | <b>1.11</b>        | <b>0.16</b>       |
| E        | 11/9       | 2,356.25         | 2,426.70         | 70.45            | 0.00                    | 2.99%              | 1.35               | 0.19              |
| F        | 13/9       | 2,784.66         | 2,867.92         | 83.26            | 0.00                    | 2.99%              | 1.60               | 0.23              |
| G        | 15/9       | 3,213.06         | 3,309.13         | 96.07            | 0.00                    | 2.99%              | 1.84               | 0.26              |
| H        | 18/9       | 3,855.68         | 3,970.96         | 115.28           | 0.00                    | 2.99%              | 2.21               | 0.32              |

### 2. OVERALL COUNCIL TAX INCLUSIVE OF PRECEPTS

#### **A. LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (66% of Properties)**

| BAND     | WEIGHT     | 2022/23<br>TOTAL<br>C.TAX | 2023/24<br>WMBC<br>C.TAX | ESTIMATE - ACTUAL T.B.A    |                              | OVERALL (INC PRECEPTS)    |
|----------|------------|---------------------------|--------------------------|----------------------------|------------------------------|---------------------------|
|          |            |                           |                          | 2023/24<br>FIRE<br>PRECEPT | 2023/24<br>POLICE<br>PRECEPT | 2023/24<br>TOTAL<br>C.TAX |
|          |            | £                         | £                        | £                          | £                            | £                         |
| A        | 6/9        | 1,455.61                  | 1,323.65                 | 48.68                      | 135.03                       | 1,507.36                  |
| B        | 7/9        | 1,698.21                  | 1,544.26                 | 56.79                      | 157.54                       | 1,758.59                  |
| C        | 8/9        | 1,940.81                  | 1,764.87                 | 64.90                      | 180.04                       | 2,009.81                  |
| <b>D</b> | <b>9/9</b> | <b>2,183.42</b>           | <b>1,985.48</b>          | <b>73.02</b>               | <b>202.55</b>                | <b>2,261.05</b>           |
| E        | 11/9       | 2,668.62                  | 2,426.70                 | 89.24                      | 247.56                       | 2,763.50                  |
| F        | 13/9       | 3,153.83                  | 2,867.92                 | 105.47                     | 292.57                       | 3,265.96                  |
| G        | 15/9       | 3,639.02                  | 3,309.13                 | 121.69                     | 337.58                       | 3,768.40                  |
| H        | 18/9       | 4,366.83                  | 3,970.96                 | 146.03                     | 405.10                       | 4,522.09                  |



**B. LEVELS FOR PROPERTIES WITH ONE RESIDENT (25% DISCOUNT) (34% of Properties)**

| BAND | WEIGHT     | 2022/23<br>TOTAL<br>C.TAX | 2023/24<br>WMBC<br>C.TAX | ESTIMATE - ACTUAL<br>T.B.A |                              | OVERALL (INC<br>PRECEPTS) |
|------|------------|---------------------------|--------------------------|----------------------------|------------------------------|---------------------------|
|      |            |                           |                          | 2023/24<br>FIRE<br>PRECEPT | 2023/24<br>POLICE<br>PRECEPT | 2023/24<br>TOTAL<br>C.TAX |
|      |            | £                         |                          | £                          | £                            | £                         |
| A    | 6/9        | 1,091.71                  | 992.74                   | 36.51                      | 101.28                       | <b>1,130.53</b>           |
| B    | 7/9        | 1,273.66                  | 1,158.20                 | 42.60                      | 118.15                       | <b>1,318.95</b>           |
| C    | 8/9        | 1,455.61                  | 1,323.65                 | 48.68                      | 135.03                       | <b>1,507.37</b>           |
| D    | <b>9/9</b> | <b>1,637.57</b>           | <b>1,489.11</b>          | <b>54.77</b>               | <b>151.91</b>                | <b>1,695.79</b>           |
| E    | 11/9       | 2,001.47                  | 1,820.02                 | 66.94                      | 185.67                       | <b>2,072.63</b>           |
| F    | 13/9       | 2,365.37                  | 2,150.94                 | 79.11                      | 219.43                       | <b>2,449.47</b>           |
| G    | 15/9       | 2,729.27                  | 2,481.85                 | 91.28                      | 253.19                       | <b>2,826.31</b>           |
| H    | 18/9       | 3,275.12                  | 2,978.22                 | 109.53                     | 303.83                       | <b>3,391.58</b>           |

**3. SPREAD OF PROPERTIES**

The proportion of properties within Walsall MBC within each Council Tax band at 1st December 2022 is as follows:

| BAND                 | A      | B      | C      | D      | E     | F     | G    | H    | TOTAL   |
|----------------------|--------|--------|--------|--------|-------|-------|------|------|---------|
| PROPERTIES (No)      | 51,204 | 27,444 | 18,729 | 10,405 | 5,583 | 2,379 | 831  | 53   | 116,628 |
| PROPERTIES (%)       | 43.90  | 23.53  | 16.06  | 8.92   | 4.79  | 2.04  | 0.71 | 0.05 | 100     |
| CUMULATIVE<br>TOTALS | 67.43  |        |        |        |       |       |      |      |         |
|                      | 83.49  |        |        |        |       |       |      |      |         |
|                      | 92.41  |        |        |        |       |       |      |      |         |

## **Part 1 Annex 4 : Revenue Cash Limit 2023/24 to 2026/27 by Directorate**

This annex outlines the indicative cash limits by directorate, including portfolio responsibilities. These will be updated in year to reflect any movement in directorate/portfolio responsibilities. Savings plans for 2024/25 onwards will be realigned to services when agreed.

### **1. Adult Social Care, Public Health and Hub Directorate**

- **Adult Social Care Portfolio**  
Care services for older people and people with learning disabilities, people with physical disabilities and people with mental health needs, health partnership, commissioning and CCG/health interface lead supporting people, protection for vulnerable adults, transition arrangements between Children's and Adult Social Care.
- **Health and Wellbeing Portfolio**  
Public Health functions and activities including commissioning services that affect the long term health of residents. Health protection for local outbreak management, infection prevention and control, immunisation. Healthy Spaces. Mental and emotional wellbeing. Chair of Health & Wellbeing Board.
- **Leader of the Council Portfolio**  
Overall responsibility for Council strategy, the Council Plan, communications and public relations, government relations and liaison with local MPs and West Midlands leaders, Business Insights (intelligence), Policy and Strategy Unit.
- **Internal Services Portfolio**  
Procurement.
- **Resilient Communities Portfolio**  
Engagement and consultation.

|  | <b>2023/24</b>    | <b>2024/25</b>    | <b>2025/26</b>    | <b>2026/27</b>    |
|--|-------------------|-------------------|-------------------|-------------------|
|  | <b>£</b>          | <b>£</b>          | <b>£</b>          | <b>£</b>          |
| <b>Opening cash limit</b>  | 62,710,357        | 69,497,476        | 71,833,999        | 74,485,174        |
| <b>Base budget adjustments</b>                                   |                   |                   |                   |                   |
| - Fall out of one off investment - Single handed review          | 0                 | (137,000)         | (137,000)         | 0                 |
| - Public Health grant  | (576,820)         | (379,585)         | (387,177)         | (394,920)         |
| - Market Sustainability grant                                    | (2,386,374)       | (1,688,360)       | 0                 | 0                 |
| - Hospital Discharge grant                                       | (1,988,154)       | (1,325,436)       | 0                 | 0                 |
| - Independent Living Fund income removed                         | 808,399           | 0                 | 0                 | 0                 |
| - Vacancy management adjustment                                  | (71,867)          | 0                 | 0                 | 0                 |
| <b>Investment / Pressures – see Annex 5</b>                      | 13,047,767        | 6,279,957         | 3,175,352         | 1,168,524         |
| <b>Less Proposed Savings Plans – see Annex 7</b>                 | (2,045,832)       | (413,053)         | 0                 | 0                 |
| <b>Adult Social Care, Public Health and Hub draft cash limit</b> | <b>69,497,476</b> | <b>71,833,999</b> | <b>74,485,174</b> | <b>75,258,778</b> |

## 2. Children's, Education and Customer Engagement Directorate

- **Children's Portfolio**

Services for children in need of help and protection, children looked after and care leavers, early help, involvement of children and young people, transition arrangements between Children's and Adult Social Care, Walsall Children's Safeguarding Board and Chair of Corporate Parenting Board.

- **Education and Skills Portfolio**

Schools and education services, interagency cooperation, involvement of children and young people, special educational needs, disabilities and inclusion. Adult learning.

- **Customer Portfolio**

Customer Experience Centre, Customer Access Management, Revenues and Benefits, Housing and Welfare, Housing Standards and Improvement, Migrant Support.

|   | 2023/24<br>£      | 2024/25<br>£      | 2025/26<br>£      | 2026/27<br>£      |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Opening cash limit</b>   | 73,062,965        | 88,716,654        | 92,009,003        | 95,211,324        |
| <b>Base budget adjustments</b>  |                   |                   |                   |                   |
| - Home to school transport - action plan funding                      | (250,000)         | 0                 | 0                 | 0                 |
| - Vacancy management adjustment                                       | (19,013)          | 0                 | 0                 | 0                 |
| - Removal of council tax admin grant rolled into funding              | 507,112           | 22,701            | 21,566            | 20,000            |
| <b>Investment / Pressures – see Annex 5</b>                           | 18,828,750        | 5,002,044         | 4,024,755         | 3,658,493         |
| <b>Less Proposed Savings Plans – see Annex 7</b>                      | (3,413,160)       | (1,732,396)       | (844,000)         | (844,000)         |
| <b>Children's, Education and Customer Engagement draft cash limit</b> | <b>88,716,654</b> | <b>92,009,003</b> | <b>95,211,324</b> | <b>98,045,817</b> |

|   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Children's Services</b>  | 84,251,351        | 86,974,851        | 90,111,766        | 92,886,259        |
| <b>Customer Engagement</b>  | 4,465,303         | 5,034,152         | 5,099,558         | 5,159,558         |
| <b>Children's, Education and Customer Engagement draft cash limit</b> | <b>88,716,654</b> | <b>92,009,003</b> | <b>95,211,324</b> | <b>98,045,817</b> |

### 3. Economy, Environment and Communities Directorate

- **Leader of the Council Portfolio**  
Emergency planning, West Midlands Combined Authority, Association of Black Country Authorities and Black Country Joint Committee.
- **Clean and Green/Transport Portfolio**  
Gateways and corridors, pollution control, waste strategy, refuse collection, recycling, street cleaning, parks (maintenance) and the council's vehicle fleet.
- **Regeneration Portfolio**  
Economic development, physical development, markets, town and district centres, planning policy. Strategic housing role. Traffic and transportation, car parks, strategic transport and highways.
- **Resilient Communities Portfolio**  
Resilient Communities including Locality co-ordination, community development, community associations, voluntary and community sectors, Community Safety, community cohesion, Safer Walsall Partnership, public protection. Leisure and culture services including the New Art Gallery, libraries, sports and museums, Cemeteries and crematoria.

|   | 2023/24           | 2024/25           | 2025/26           | 2026/27           |
|---|-------------------|-------------------|-------------------|-------------------|
|   | £                 | £                 | £                 | £                 |
| <b>Opening cash limit</b>   | 47,216,213        | 46,659,630        | 47,631,561        | 48,136,561        |
| <b>Base budget adjustments</b>  |                   |                   |                   |                   |
| <i>Fall out of one off covid-19 related investment</i>                                |                   |                   |                   |                   |
| - loss of income Active Living Centres  | (412,703)         | 0                 | 0                 | 0                 |
| - waste disposal  | (250,000)         | (285,000)         | 0                 | 0                 |
| - penalties for co-mingled waste  | (35,000)          | (35,000)          | 0                 | 0                 |
| - loss of car parks income  | (162,000)         | 0                 | 0                 | 0                 |
| <i>Fall out of one off savings</i>  |                   |                   |                   |                   |
| - Regeneration & Economy holding of vacancies   | 260,193           | 0                 | 0                 | 0                 |
| - Resilient Communities voter ID  | 75,000            | (75,000)          | 0                 | 0                 |
| - Use of unallocated bus lane and parking reserve                                     | 55,086            | 0                 | 0                 | 0                 |
| - Holding of posts in Resilience Unit   | 20,000            | 0                 | 0                 | 0                 |
| - Additional vacancy management to freeze non essential posts involved in restructure | 20,952            | 0                 | 0                 | 0                 |
| - One off use of section 38 income  | 30,000            | 0                 | 0                 | 0                 |
| <i>Other changes</i>  |                   |                   |                   |                   |
| - Town Centre officer post funded by Public Health                                    | 0                 | (86,315)          | 0                 | 0                 |
| - One off use of car park enforcement reserve   | (400,281)         | 400,281           | 0                 | 0                 |
| - NI adjustment for split coded posts   | 7,659             | 0                 | 0                 | 0                 |
| - Vacancy management adjustment   | (22,748)          | 0                 | 0                 | 0                 |
| <b>Investment / Pressures – see Annex 5</b>   | 3,448,523         | 1,414,315         | 515,000           | 590,000           |
| <b>Less Proposed Savings Plans – see Annex 7</b>                                      | (3,191,264)       | (361,350)         | (10,000)          | 0                 |
| <b>Economy, Environment and Communities draft cash limit</b>                          | <b>46,659,630</b> | <b>47,631,561</b> | <b>48,136,561</b> | <b>48,726,561</b> |

#### 4. Resources and Transformation Directorate

- **Leader of the Council Portfolio**

Proud Way of Working, Transformation and Digital (including Information Governance), Finance (including payroll and pensions, insurance, risk management, policy led budgeting and MTFO, Financial Regulations, Audit, Counter Fraud and Corruption, Treasury Management, Financial Systems, External Funding), Legal and Democratic Services, Performance, Member Development, Governance.

- **Internal Services Portfolio**

HR, Organisational Development, Learning and Development, Workforce Equalities, Corporate Landlord (including facilities and general asset management, catering, cleaning, caretaking), Administration and Business Support, Workforce.

- **Regeneration Portfolio**

Property and strategic asset management, Black Country Consortium, sub regional regeneration issues, local development framework, business liaison, programme delivery.

|  | 2023/24<br>£      | 2024/25<br>£      | 2025/26<br>£      | 2026/27<br>£      |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Opening cash limit</b>  | 35,719,754        | 37,836,544        | 38,890,456        | 39,682,738        |
| <b>Base budget adjustments</b>   |                   |                   |                   |                   |
| - Fall out of one off Covid-19 investment - loss of income for box office events | (6,080)           | 0                 | 0                 | 0                 |
| - Towns Deal contribution  | 0                 | 0                 | 41,882            | 42,929            |
| - Document retention records officer post  | 40,606            | 0                 | 0                 | 0                 |
| - Iron Mountain licensing costs  | 15,900            | 0                 | 0                 | 0                 |
| - Vacancy management adjustment  | (109,304)         | 0                 | 0                 | 0                 |
| - Adjustment for finance investment  | (84,898)          | 0                 | 0                 | 0                 |
| <b>Investment / Pressures – see Annex 5</b>                                      | 3,955,564         | 1,647,951         | 750,400           | 31,520            |
| <b>Less Proposed Savings Plans – see Annex 7</b>                                 | (1,694,998)       | (594,039)         | 0                 | 0                 |
| <b>Resources and Transformation draft cash limit</b>                             | <b>37,836,544</b> | <b>38,890,456</b> | <b>39,682,738</b> | <b>39,757,187</b> |

## 5. Central / Capital Financing

|  | 2023/24             | 2024/25              | 2025/26              | 2026/27              |
|--|---------------------|----------------------|----------------------|----------------------|
|  | £                   | £                    | £                    | £                    |
| <b>Opening cash limit</b>  | (80,284,040)        | (98,547,262)         | (100,869,075)        | (104,002,110)        |
| <b>Base budget adjustments</b>   |                     |                      |                      |                      |
| <b><i>Fall out of one off investment</i></b>                                       |                     |                      |                      |                      |
| - Proud  | (2,000,000)         | 0                    | 0                    | 0                    |
| - Covid-19 income losses   | (1,000,000)         | 0                    | 0                    | 0                    |
| - other covid related  | (2,942,014)         | 0                    | 0                    | 0                    |
| - Social Care investment returned  | (1,829,987)         | 0                    | 0                    | 0                    |
| <b><i>Funding changes</i></b>  |                     |                      |                      |                      |
| - NNDR baseline  | (13,579,397)        | (7,120,619)          | (1,666,508)          | (1,703,070)          |
| - Top up grant   | (1,809,087)         | (408,950)            | (417,129)            | (425,471)            |
| - NNDR section 31 grant  | (6,385,516)         | 1,881,761            | (343,683)            | (350,556)            |
| - Social Care support grant  | (9,283,643)         | (3,856,394)          | 0                    | 0                    |
| - Services grant   | 2,249,756           | 0                    | 0                    | 0                    |
| - New Homes Bonus  | 440,238             | 10,150               | 0                    | 0                    |
| - Lower Tier Services grant  | 471,526             | 0                    | 0                    | 0                    |
| <b><i>Other changes</i></b>  |                     |                      |                      |                      |
| - payment on plan domiciliary care capacity issues                                 | 23,851              | 0                    | 0                    | 0                    |
| - Reduction in demand contingency  | (162,000)           | 0                    | 0                    | 0                    |
| - Combined Authority growth contribution   | 109,500             | 109,500              | 109,500              | 109,500              |
| - Collection fund surplus  | (936,049)           | 1,217,816            | 0                    | 0                    |
| - Changes ro reserves  | 14,478,535          | (4,080,374)          | 637,000              | 500,000              |
| - Vacancy management adjustment  | 222,932             | 0                    | 0                    | 0                    |
| - NI adjustment for split coded posts  | (7,659)             | 0                    | 0                    | 0                    |
| - Adjustment for finance investment  | 84,898              | 0                    | 0                    | 0                    |
| - Combined Authority Shared Prosperity Fund  | 496,226             | (496,226)            | 0                    | 0                    |
| - Capital Financing mimimum revenue provision                                      | 191,000             | 2,550,000            | 0                    | 0                    |
| - Capital Financing  | 0                   | (2,192,888)          | 0                    | 0                    |
| - Covid-19/risks   | 0                   | (1,011,203)          | 0                    | 0                    |
| - Headroom   | 706,716             | 0                    | 0                    | 0                    |
| - Revenue implications of business change  | 1,000,000           | 0                    | 0                    | 0                    |
| - Cabinet pledges  | 500,000             | 0                    | 0                    | 0                    |
| - Reduction in past pension costs  | (3,400,000)         | 0                    | 0                    | 0                    |
| <b>Investment / Pressures – see Annex 5</b>  | <b>9,464,452</b>    | <b>16,075,614</b>    | <b>10,924,835</b>    | <b>10,066,121</b>    |
| <b>Less Proposed Savings Plans – see Annex 7 (Customer savings centrally held)</b> | <b>(5,367,500)</b>  | <b>(5,000,000)</b>   | <b>0</b>             | <b>0</b>             |
| <b>Savings yet to be identified</b>  | <b>0</b>            | <b>0</b>             | <b>(12,377,050)</b>  | <b>(8,350,621)</b>   |
| <b>Central / Capital Financing draft cash limit</b>                                | <b>(98,547,262)</b> | <b>(100,869,075)</b> | <b>(104,002,110)</b> | <b>(104,156,208)</b> |

## Part 1 Annex 5 : Summary of New Growth and Investment 2023/24 – 2026/27 aligned to Outcomes

| Directorate   | Ref No | Details of Growth by outcome   | 2023/24<br>£   | 2024/25<br>£     | 2025/26<br>£   | 2026/27<br>£   | Total<br>£       |
|---|--------|--|----------------|------------------|----------------|----------------|------------------|
| <b>Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b>       |        |  |                |                  |                |                |                  |
| Economy, Environment & Communities  | 1      | Funding of the delivery and development team following the fall out of grant funding (Economic growth programme) which ceases from March 2023 but can be contained from reserves for 2023/24 | 0              | 1,013,000        | 0              | 0              | 1,013,000        |
|   | 2      | Town Centre Officer post - to support the regeneration of the high street - funded from Public Health Grant  | 0              | 86,315           | 0              | 0              | 86,315           |
|   | 33 pt  | Pay and pension changes  | 335,771        | 0                | 0              | 0              | 335,771          |
|   | 52a    | Economy, Environment and Communities contractual inflation   | 502,624        | 295,640          | 295,640        | 295,640        | 1,389,544        |
| Resources & Transformation  | 3      | Funding of the Programme Management team following the fall out of grant funding (Economic growth programme) which ceases from March 2023 but can be contained from reserves for 2023/24     | 0              | 885,150          | 0              | 0              | 885,150          |
|   | 4      | Black country consortium annual subscription - previously funded from external funding which ceases 31 March 2023 but funded from reserves for 1 year.                                       | 0              | 90,000           | 0              | 0              | 90,000           |
|   | 33 pt  | Pay and pension changes  | 3,424          | 0                | 0              | 0              | 3,424            |
| <b>Total Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |        |  | <b>841,819</b> | <b>2,370,105</b> | <b>295,640</b> | <b>295,640</b> | <b>3,803,204</b> |
| <b>Education, training and skills enable people to contribute to their community and our economy</b>  |        |  |                |                  |                |                |                  |
| Adult Social Care, Public Health & Hub  | 33 pt  | Pay and pension changes  | 9,940          | 0                | 0              | 0              | 9,940            |
| Economy, Environment & Communities  | 6      | Add capacity to support Collections, Library and Archive Service   | 27,500         | 0                | 0              | 0              | 27,500           |
|   | 33 pt  | Pay and pension changes  | 137,672        | 0                | 0              | 0              | 137,672          |
| <b>Total Education, training and skills enable people to contribute to their community and our economy</b>  |        |  | <b>175,112</b> | <b>0</b>         | <b>0</b>       | <b>0</b>       | <b>175,112</b>   |
| <b>People can access support in their community to keep safe and well and remain independent at home</b>  |        |  |                |                  |                |                |                  |
| Adult Social Care, Public Health & Hub  | 33 pt  | Pay and pension changes  | (2,576)        | 0                | 0              | 0              | (2,576)          |

| Directorate  | Ref No  | Details of Growth by outcome   | 2023/24<br>£      | 2024/25<br>£     | 2025/26<br>£     | 2026/27<br>£     | Total<br>£        |
|--|---|--|-------------------|------------------|------------------|------------------|-------------------|
| Children's, Education & Customer Engagement  | 7   | Crisis support - to support Walsall residents in crisis  | 0                 | 500,000          | 0                | 0                | 500,000           |
|  | 33 pt   | Pay and pension changes  | 142,256           | 0                | 0                | 0                | 142,256           |
| Economy, Environment & Communities   | 33 pt   | Pay and pension changes  | 15,360            | 0                | 0                | 0                | 15,360            |
| <b>Total People can access support in their community to keep safe and well and remain independent at home</b> |   |  | <b>155,040</b>    | <b>500,000</b>   | <b>0</b>         | <b>0</b>         | <b>655,040</b>    |
| <b>People are supported to maintain or improve their health, wellbeing and quality of life</b>                 |   |  |                   |                  |                  |                  |                   |
| Adult Social Care, Public Health & Hub   | 9   | Social Care increase in demand pressures   | 4,884,180         | 371,862          | 371,862          | 371,862          | 5,999,766         |
|  | 10  | Contract price uplift (for under 65's not covered by Fair Cost of Care)  | 1,675,785         | 523,855          | 534,332          | 545,018          | 3,278,990         |
|  | 11  | Better Care Funding iBCF2 fall out of grant funding in 2025/26   | 0                 | 0                | 2,023,652        | 0                | 2,023,652         |
|  | 12  | Direct Payments - to cover reduction in refund income  | 153,000           | 0                | 0                | 0                | 153,000           |
|  | 13  | Adult Social Care contractual inflation based on RPXI - Housing 21   | 1,125,768         | (293,450)        | 245,506          | 251,644          | 1,329,468         |
|  | 14  | A preparing for adulthood service - capacity to support statutory functions across 14/18-25 year olds and meet the transition needs of all young people                  | 256,126           | 0                | 0                | 0                | 256,126           |
|  | 15  | Hospital discharge - fully funded from grant   | 1,988,154         | 1,325,436        | 0                | 0                | 3,313,590         |
|  | 33 pt   | Pay and pension changes  | 776,389           | 0                | 0                | 0                | 776,389           |
|  | 37  | Social Care grant funding expenditure - held centrally to be used for Adults & childrens pressures. If grant is less, then investment will be reduced to match the grant | 763,339           | 3,856,394        | 0                | 0                | 4,619,733         |
| 56   | Market Sustainability & Improvement Fund held centrally | 710,589  | 495,860           | 0                | 0                | 1,206,449        |                   |
| Children's, Education & Customer Engagement  | 33 pt   | Pay and pension changes  | 2,195             | 0                | 0                | 0                | 2,195             |
| Economy, Environment & Communities   | 16  | Leisure services income shortfall - on-going impact of the pandemic (one-off)  | 150,000           | (150,000)        | 0                | 0                | 0                 |
|  | 33 pt   | Pay and pension changes  | 266,436           | 0                | 0                | 0                | 266,436           |
|  | 52b   | Economy, Environment and Communities contractual inflation   | 7,540             | 7,540            | 7,540            | 7,540            | 30,160            |
| Resources & Transformation   | 33 pt   | Pay and pension changes  | 37,874            | 0                | 0                | 0                | 37,874            |
| <b>Total People are supported to maintain or improve their health, wellbeing and quality of life</b>           |   |  | <b>12,797,375</b> | <b>6,137,497</b> | <b>3,182,892</b> | <b>1,176,064</b> | <b>23,293,828</b> |



| Directorate   | Ref No | Details of Growth by outcome  | 2023/24<br>£   | 2024/25<br>£  | 2025/26<br>£  | 2026/27<br>£  | Total<br>£     |
|---|--------|---|----------------|---------------|---------------|---------------|----------------|
| <b>We get things right, first time and make all services accessible and easy to use</b>   |        |   |                |               |               |               |                |
| Children's, Education & Customer Engagement   | 8      | Walsall Connect Programme - to support the voluntary and community sectors to deliver services in the local communities             | 375,000        | 0             | 0             | 0             | 375,000        |
|   | 17     | Reduction in housing benefit admin grant  | 48,677         | 46,148        | 43,840        | 40,000        | 178,665        |
|   | 33 pt  | Pay and pension changes   | 342,973        | 0             | 0             | 0             | 342,973        |
| Economy, Environment & Communities  | 33 pt  | Pay and pension changes   | 60,324         | 0             | 0             | 0             | 60,324         |
|   | 52c    | Economy, Environment and Communities contractual inflation  | 1,140          | 1,140         | 1,140         | 1,140         | 4,560          |
| <b>Total We get things right, first time and make all services accessible and easy to use</b>   |        |   | <b>828,114</b> | <b>47,288</b> | <b>44,980</b> | <b>41,140</b> | <b>961,522</b> |
| <b>The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b> |        |   |                |               |               |               |                |
| Adult Social Care, Public Health & Hub  | 19     | Hub investment linked to HUBS work stream activity  | 566,000        | 0             | 0             | 0             | 566,000        |
|   | 33 pt  | Pay and pension changes   | 141,073        | 0             | 0             | 0             | 141,073        |
| Children's, Education & Customer Engagement   | 33 pt  | Pay and pension changes   | 32,607         | 0             | 0             | 0             | 32,607         |
| Economy, Environment & Communities  | 20     | Additional capacity to deliver equalities training  | 15,000         | 0             | 0             | 0             | 15,000         |
|   | 33 pt  | Pay and pension changes   | 3,880          | 0             | 0             | 0             | 3,880          |
|   | 48     | Interpretation, Translation and Transcription - communication in alternative formats to ensure improved accessibility for customers | 25,000         | 0             | 0             | 0             | 25,000         |
| Resources & Transformation  | 21     | Cloud / Microsoft licences and infrastructure costs   | 874,000        | 55,000        | 750,400       | 31,520        | 1,710,920      |
|   | 22     | Review of and redesign of legal services  | 423,000        | 0             | 0             | 0             | 423,000        |
|   | 23     | Additional capacity for Finance strategic partnering (linked to saving OP29)  | 0              | 276,039       | 0             | 0             | 276,039        |
|   | 24     | Develop in house capacity within the Applications and Digital Team in order to meet increasing demands on the service               | 333,382        | 308,762       | 0             | 0             | 642,144        |
|   | 25     | Growth and pro active use of Organisational Development function including Human Resources Business Partners                        | 248,699        | 0             | 0             | 0             | 248,699        |
|   | 26     | Additional capacity to support the Children's Family Safeguarding Model   | 168,842        | 0             | 0             | 0             | 168,842        |
|   | 27     | Elections restructure and additional capacity to meet the requirements of the new Elections Act 2022                                | 89,739         | 0             | 0             | 0             | 89,739         |
|   | 28     | Investment in strategic / higher level Financial Transactions management capacity   | 75,000         | 0             | 0             | 0             | 75,000         |
|   | 33 pt  | Pay and pension changes   | 1,701,604      | 0             | 0             | 0             | 1,701,604      |

| Directorate   | Ref No | Details of Growth by outcome   | 2023/24<br>£      | 2024/25<br>£      | 2025/26<br>£      | 2026/27<br>£      | Total<br>£        |
|---|--------|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Central / Capital Financing   | 29     | Capital financing / Minimum Revenue Provision review   | 2,502,870         | 1,202,650         | (133,042)         | 600,000           | 4,172,478         |
|   | 30     | Revenue implications of capital programme  | 0                 | 250,000           | 250,000           | 250,000           | 750,000           |
|   | 31     | Energy   | 1,000,000         | (600,000)         | 0                 | 0                 | 400,000           |
|   | 32     | Connected working - Proud work stream activity to drive change within the organisation   | 246,000           | 0                 | 0                 | 0                 | 246,000           |
|   | 33     | Pay / pension provision  | 4,101,266         | 8,490,162         | 8,602,419         | 7,473,914         | 28,667,760        |
|   | 34     | Combined Authority contribution for Metro  | 202,356           | 232,802           | 705,458           | 242,207           | 1,382,823         |
|   | 35     | Cost of living / demand provision  | 1,321,960         | 6,500,000         | 1,500,000         | 1,500,000         | 10,821,960        |
|   | 36     | External audit fee increase  | 90,000            | 0                 | 0                 | 0                 | 90,000            |
| <b>Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b> |        |  | <b>14,162,278</b> | <b>16,715,415</b> | <b>11,675,235</b> | <b>10,097,641</b> | <b>52,650,568</b> |
| <b>Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b>   |        |  |                   |                   |                   |                   |                   |
| Children's, Education & Customer Engagement   | 5      | Increase in demand for Home to school transport  | 1,095,861         | 841,977           | 1,191,977         | 1,000,000         | 4,129,815         |
|   | 33 pt  | Pay and pension changes  | 80,348            | 0                 | 0                 | 0                 | 80,348            |
|   | 43     | Additional capacity within Education Health and Care Plan Assessments due to increase in demand  | 302,020           | 0                 | 0                 | 0                 | 302,020           |
|   | 44     | Capacity to cover additional responsibility on the local authority for elective home education and admission appeals and attendance responsibilities introduced in new legislation.      | 181,411           | 0                 | 0                 | 0                 | 181,411           |
|   | 45     | Reduction in traded services attendance income target due to schools directly employing their own staff in response to the new requirements of the school attendance procedures and bill | 36,388            | 36,387            | 36,387            | 36,387            | 145,549           |
| Economy, Environment & Communities  | 33 pt  | Pay and pension changes  | (1,040)           | 0                 | 0                 | 0                 | (1,040)           |
| <b>Total Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b>   |        |  | <b>1,694,988</b>  | <b>878,364</b>    | <b>1,228,364</b>  | <b>1,036,387</b>  | <b>4,838,103</b>  |
| <b>Children and young people grow up in connected communities and feel safe everywhere</b>  |        |  |                   |                   |                   |                   |                   |
| Children's, Education & Customer Engagement   | 33 pt  | Pay and pension changes  | 1,370,103         | 0                 | 0                 | 0                 | 1,370,103         |
|   | 38     | Additional children in care demand / cost pressures  | 10,786,348        | 2,460,336         | 2,583,751         | 2,351,106         | 18,181,541        |
|   | 39     | Foster care / Special Guardianship Order allowances and proposed change to current fostering fees  | 570,602           | 111,800           | 113,800           | 116,000           | 912,202           |
|   | 40     | Increase in social workers pay (full year impact of 2022/23 investment)  | 131,000           | 12,000            | 0                 | 0                 | 143,000           |
|   | 41     | Additional social workers and training for foster carers to support increase in foster care placements (linked to savings OP45 & OP51)   | 78,000            | 105,000           | 55,000            | 115,000           | 353,000           |

| Directorate  | Ref No | Details of Growth by outcome  | 2023/24<br>£      | 2024/25<br>£      | 2025/26<br>£      | 2026/27<br>£      | Total<br>£         |
|--|--------|---|-------------------|-------------------|-------------------|-------------------|--------------------|
| Children's, Education & Customer Engagement  | 42     | Additional capacity within internal residential services and high cost external placements (linked to reducing high cost placement costs)   | 92,000            | 0                 | 0                 | 0                 | 92,000             |
|  | 46     | Additional capacity to deliver Special Guardianship Orders due to increased demand  | 140,961           | 0                 | 0                 | 0                 | 140,961            |
|  | 47     | Removal of saving OP50 due to legislation changes - Development of locality partnership offer in Early Help .   | 0                 | 888,396           | 0                 | 0                 | 888,396            |
|  | 57     | Increase in children in care placement costs held centrally   | 2,900,000         | 0                 | 0                 | 0                 | 2,900,000          |
|  | 58     | Multi Agency Safeguarding Hub - 2 additional social workers   | 120,000           | 0                 | 0                 | 0                 | 120,000            |
| <b>Total Children and young people grow up in connected communities and feel safe everywhere</b> |        |   | <b>16,189,014</b> | <b>3,577,532</b>  | <b>2,752,551</b>  | <b>2,582,106</b>  | <b>25,101,203</b>  |
| <b>Our communities will be more resilient and supportive of each other</b>                       |        |   |                   |                   |                   |                   |                    |
| Economy, Environment & Communities   | 33 pt  | Pay and pension changes   | 78,999            | 0                 | 0                 | 0                 | 78,999             |
|  | 49     | Community Cohesion communication and partnership - to manage demand for social cohesion and integration   | 150,000           | 0                 | 0                 | 0                 | 150,000            |
|  | 50     | Additional capacity to cover growing demand to build capacity in Community Association's network to implement the CXS (Walsall Connected)   | 40,000            | 0                 | 0                 | 0                 | 40,000             |
|  | 51     | Capacity within Making Connections Walsall to ensure residents have access to local support to reduce their loneliness and isolation  | 155,000           | 0                 | 0                 | 0                 | 155,000            |
| <b>Total Our communities will be more resilient and supportive of each other</b>                 |        |   | <b>423,999</b>    | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>423,999</b>     |
| <b>The people of Walsall feel safe in a cleaner, greener Borough</b>                             |        |   |                   |                   |                   |                   |                    |
| Economy, Environment & Communities   | 33 pt  | Pay and pension changes   | 816,637           | 0                 | 0                 | 0                 | 816,637            |
|  | 52d    | Economy, Environment and Communities contractual inflation  | 285,680           | 285,680           | 285,680           | 285,680           | 1,142,720          |
|  | 53     | Increase in vehicle fuel costs  | 275,000           | (125,000)         | (75,000)          | 0                 | 75,000             |
|  | 54     | Capacity to support the councils climate change agenda  | 100,000           | 0                 | 0                 | 0                 | 100,000            |
| Resources & Transformation   | 55     | Funding of the transport team costs following the fall out of grant funding (Economic growth programme) which ceases from March 2023 but can be contained from reserves for 2023/24 | 0                 | 33,000            | 0                 | 0                 | 33,000             |
| <b>Total The people of Walsall feel safe in a cleaner, greener Borough</b>                       |        |   | <b>1,477,317</b>  | <b>193,680</b>    | <b>210,680</b>    | <b>285,680</b>    | <b>2,167,357</b>   |
| <b>Total Growth and investment</b>   |        |   | <b>48,745,056</b> | <b>30,419,881</b> | <b>19,390,342</b> | <b>15,514,658</b> | <b>114,069,936</b> |

## Investment Summary by Outcome

| <b>Outcome</b>   | <b>2023/24<br/>£</b> | <b>2024/25<br/>£</b> | <b>2025/26<br/>£</b> | <b>2026/27<br/>£</b> | <b>Total<br/>£</b> |
|--|----------------------|----------------------|----------------------|----------------------|--------------------|
| Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place   | 841,819              | 2,370,105            | 295,640              | 295,640              | 3,803,204          |
| Education, training and skills enable people to contribute to their community and our economy  | 175,112              | 0                    | 0                    | 0                    | 175,112            |
| People can access support in their community to keep safe and well and remain independent at home  | 155,040              | 500,000              | 0                    | 0                    | 655,040            |
| People are supported to maintain or improve their health, wellbeing and quality of life  | 12,797,375           | 6,137,497            | 3,182,892            | 1,176,064            | 23,293,828         |
| We get things right, first time and make all services accessible and easy to use   | 828,114              | 47,288               | 44,980               | 41,140               | 961,522            |
| The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring | 14,162,278           | 16,715,415           | 11,675,235           | 10,097,641           | 52,650,568         |
| Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential   | 1,694,988            | 878,364              | 1,228,364            | 1,036,387            | 4,838,103          |
| Children and young people grow up in connected communities and feel safe everywhere  | 16,189,014           | 3,577,532            | 2,752,551            | 2,582,106            | 25,101,203         |
| Our communities will be more resilient and supportive of each other  | 423,999              | 0                    | 0                    | 0                    | 423,999            |
| The people of Walsall feel safe in a cleaner, greener Borough  | 1,477,317            | 193,680              | 210,680              | 285,680              | 2,167,357          |
| <b>Total</b>   | <b>48,745,056</b>    | <b>30,419,881</b>    | <b>19,390,342</b>    | <b>15,514,658</b>    | <b>114,069,936</b> |

## Investment Summary by Directorate

| <b>Directorate</b>                           | <b>2023/24<br/>£</b> | <b>2024/25<br/>£</b> | <b>2025/26<br/>£</b> | <b>2026/27<br/>£</b> | <b>Total<br/>£</b> |
|--|----------------------|----------------------|----------------------|----------------------|--------------------|
| Adult Social Care, Public Health and Hub     | 13,047,767           | 6,279,957            | 3,175,352            | 1,168,524            | 23,671,600         |
| Children's Services and Customer Engagement: |                      |                      |                      |                      |                    |
| - Children's Services                        | 17,919,844           | 4,455,896            | 3,980,915            | 3,618,493            | 29,975,148         |
| - Customer Engagement                        | 908,906              | 546,148              | 43,840               | 40,000               | 1,538,894          |
| Economy, Environment and Communities         | 3,448,523            | 1,414,315            | 515,000              | 590,000              | 5,967,838          |
| Resources and Transformation                 | 3,955,564            | 1,647,951            | 750,400              | 31,520               | 6,385,435          |
| Central / Capital Financing                  | 9,464,452            | 16,075,614           | 10,924,835           | 10,066,121           | 46,531,021         |
| <b>Total</b>                                 | <b>48,745,056</b>    | <b>30,419,881</b>    | <b>19,390,342</b>    | <b>15,514,658</b>    | <b>114,069,936</b> |

## **Part 1 Annex 6: Walsall Proud Work Streams and Activity**

### **1. *Enabling Communications and Culture***

All organisations, services and staff have cultures and behaviours, good and bad. This work stream looks at how individuals make decisions, initially in the context of staff undertaking and supporting Walsall Proud. It will then implement approaches and processes that will encourage and boost the good, and challenge and change the bad.

Activity includes accelerating ambition, creativity and innovation; creating supporting policies and strategies such as organisational development and an accompanying workforce strategy; support to establish the 'creativity' function; workforce development/training to embed the innovation mind set; specific suppliers to implement new innovations or projects. Leadership coaching and training; workforce development and training; cultural and behavioural analysis and custom-design support.

### **2. *Customer Access and Management (CAM)***

This will address the mechanisms available to us to manage a single view of the customer, improve their experience and introduce efficiencies in our ways of interacting with them. Activity includes customer journey mapping; redesign of end-to-end processes; functional and technical support for implementing the new customer management model; staff training.

Improving customer experience is at the heart of Proud, and as such, the council is developing ways of working that will meet service user expectations now and for the future. Working together, the partnership aims to:

- Improve customer experience of interacting with the council
- Reduce unnecessary/failure demand, so employees can focus efforts on service delivery and support our most vulnerable customers
- Increase accessibility, including through the use of digital channels, to make it quicker and more convenient for customers to interact with the council
- Help release staff capacity and financial benefits, by automating more processes and encouraging more customers to utilise digital contact channels
- Improve customer engagement by offering greater personalisation of digital solutions based on customer needs and preferences.

A Customer Experience Centre has been created to improve the effectiveness of customer contact by phone with customer contact for more services transferring to this function in the coming years.

### **3. *Designing the Ways of Working – Hub and Enabling Support Services***

#### **Hub**

The blueprint for the Council Hub has been developed and has delivered capability for three of the four elements – Strategy and Policy, Business Insights, Communications Marketing & Branding, Commissioning, Procurement and Contract Management (CPCM).

Communications, Marketing and Branding is transitioning into business as usual and focussing on Walsall Council's brand and working closely with the income generation and cost recovery work stream on ensuring the council is maximising its assets. CPCM is at the first stage of recruitment to the senior positions and will see implementation of the function

fully formed during 2023 focussing on a strategic approach to commissioning and ensuring we remain focussed on value for money for all procurement activity. Business Insight activity will focus on business intelligence and ensuring decision-making is insight led and the council is responsive to data trends and intelligence. The centralised Policy and Strategy team will ensure that all council initiatives and activity is focussed on delivering on our Council Plan and outcomes for residents and the borough.

The hub will require time to fully embed and staff training to, implement new ways of working; setup bespoke dashboards/visualisations; and progress communications and marketing support.

#### *Enabling & Support Services*

Enabling & Support Services support the 'internal customer' of the council and facilitate the activities that allow Walsall Council to operate on a day to day basis. Ensuring these services are efficient and high performing will transform the way Walsall Council delivers services to its residents and create capacity for staff in terms of time efficiencies.

Creation of a centralised Administration and Business Support function has been completed successfully and work has been completed to design the transactional elements of Enabling & Support services with a design for a self-service portal for staff to access information, support, and workflow.

#### **4. Enabling Technology**

This work stream underpins and enables technology benefits envisaged throughout Walsall Proud, as well as the overall technology and digital offer for our customers. We are producing a roadmap for our future technology, translating our business strategy into a technological strategy. We are building and testing and will roll out the initial processes for the customer relationship management platform.

Activity includes upgrades and migration of key systems into the cloud moving towards resilience and maintaining the latest versions available. Adoption and innovation of emerging technology i.e., Artificial intelligence, Robotic Process Automation, Chatbot Technology and Data Insights.

CAM technology architecture has been designed and is being implemented. A new telephony service has been provided for the Customer Experience Centre, a new website has been introduced which is easier for customers to use and a number of Clean and Green digital processes have gone live.

The desire continues to develop a single customer record fully integrated with back-office systems; Support to pilot and deliver robotic processes automation in back-office and support services; Hubs - configuration and integration of technology stack to pull data from multiple sources and make accessible dash-boarding visualisations; Support to put in place platforms/workflow that supports performance improvement.

#### **5. Income generation and Cost Recovery**

This is focusing on finding ways of boosting our income through the recovery of expenditure across services. Doing this will lead to a greater and more sustainable income for these services and the organisation. Cabinet in September 2020 approved the council's income and commercial policy and corporate debt policy; and approved consultation on a number of new income generating proposals. A revised fees and charges register has been implemented, and a number of business cases are being implemented to support future

sustainability of services, such as traded services, adult social care benefits maximisation and charging.

Activity includes review of income generation and cost recovery options, options analysis, and commercialisation. The work stream focus in the coming year will be maximising income through more effective service promotion and advertising, as well as longer-term strategic income generation opportunities for the council.

## **6. *Adult's Social Care – Continuous Improvement Programme***

The Adult's Social Care Continuous Improvement Programme (CIP) is focussed on delivering service transformation plans and outcomes through strength based practice. ASC CIP contains projects and work streams which focus on: facilitating early intervention and prevention, promoting and enabling independence, informed decision making through increased use of data and business insight, utilising our communities and partners, improving our income management of debt and an internal focus on talent management within adult's social care.

CIP has been established, within a "One Council" framework, to support the council in meeting its ambition to modernise ways of working so that the council is more digitally enabled, more flexible, entrepreneurial, and efficient.

## Part 1 Annex 7 : Benefits Realisation (Savings) for Proud Change activity by Outcome 2023/24 to 2026/27

### A: Summary of Policy Proposals by Outcome 2023/24 to 2026/27

| Directorate   | Ref No | Detail of Policy Proposals by Outcome   | 2023/24<br>£    | 2024/25<br>£ | 2025/26<br>£ | 2026/27<br>£ | Total<br>£      |
|---|--------|---|-----------------|--------------|--------------|--------------|-----------------|
| <b>Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b>         |        |   |                 |              |              |              |                 |
| Economy, Environment & Communities  | P7     | Increase resident and business parking permit charges by 20%  | (3,300)         | 0            | 0            | 0            | (3,300)         |
|   | P9     | Part night lighting - reduce energy consumption by 20%  | (40,000)        | 0            | 0            | 0            | (40,000)        |
|   | P12    | Parking dispensation charging of £15 per vehicle per day  | (19,500)        | 0            | 0            | 0            | (19,500)        |
|   | P13    | Reintroduce staff parking charges – reduction from £45 to £15 per month   | (18,000)        | 0            | 0            | 0            | (18,000)        |
| <b>Total Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b>   |        |   | <b>(80,800)</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>(80,800)</b> |
| <b>People can access support in their community to keep safe and well and remain independent at home</b>  |        |   |                 |              |              |              |                 |
| Children's, Education & Customer Engagement   | P2     | Expand the training and materials for the Walsall Connected network, so that digital assistance can be given to residents who need help to access on-line holistic advice tools and offer a reduced grant allocation of £156,800 per annum to Citizen's Advice Sandwell and Walsall, to deliver a face-to-face advice for residents in need of complex welfare benefits advice and tribunal support (thus mitigating the key risks identified in the EQIA). | (88,200)        | 0            | 0            | 0            | (88,200)        |
| <b>Total People can access support in their community to keep safe and well and remain independent at home</b>  |        |   | <b>(88,200)</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>(88,200)</b> |
| <b>People are supported to maintain or improve their health, wellbeing and quality of life</b>  |        |   |                 |              |              |              |                 |
| Economy, Environment & Communities  | P3a    | Outsource Outdoor Pursuits Service to a community group   | (12,878)        | 0            | 0            | 0            | (12,878)        |
| <b>Total People are supported to maintain or improve their health, wellbeing and quality of life</b>  |        |   | <b>(12,878)</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>(12,878)</b> |
| <b>The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b>       |        |   |                 |              |              |              |                 |
| Resources & Transformation  | P3b    | Outsource Outdoor Pursuits Service to a community group - energy element  | (10,898)        | 0            | 0            | 0            | (10,898)        |
| <b>Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b> |        |   | <b>(10,898)</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>(10,898)</b> |
| <b>The people of Walsall feel safe in a cleaner, greener Borough</b>  |        |   |                 |              |              |              |                 |
| Economy, Environment & Communities  | P4     | Increase in bulky waste charges from £10 to £30 for up to 3 items, £50 for 4-6 items and £70 for 7-9 items  | (136,000)       | 0            | 0            | 0            | (136,000)       |
|   | P5     | Reduce grass cutting frequencies  | (40,000)        | 0            | 0            | 0            | (40,000)        |



| Directorate  | Ref No | Detail of Policy Proposals by Outcome   | 2023/24<br>£     | 2024/25<br>£ | 2025/26<br>£ | 2026/27<br>£ | Total<br>£       |
|--|--------|---|------------------|--------------|--------------|--------------|------------------|
| Economy, Environment & Communities   | P6     | Rewilding of all urban grassed areas - to manage public grassed open spaces and verges for biodiversity rather than visual appearance. Most areas would only receive one cut per year; however pitches, visibility splays, paths and edges would be cut more often. | (352,348)        | 0            | 0            | 0            | (352,348)        |
|  | P10    | Garden waste collection - 2 weekly from May-Nov   | (100,000)        | 0            | 0            | 0            | (100,000)        |
| <b>Total The people of Walsall feel safe in a cleaner, greener Borough</b> |        |   | <b>(628,348)</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>(628,348)</b> |
| <b>Total Policy Proposals</b>  |        |   | <b>(821,124)</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>(821,124)</b> |

### **B: Summary of Operational Proposals by Outcome 2023/24 to 2026/27**

| Directorate   | Ref No | Detail of Operational Proposals by Outcome  | 2023/24<br>£       | 2024/25<br>£     | 2025/26<br>£ | 2026/27<br>£ | Total<br>£         |
|---|--------|---|--------------------|------------------|--------------|--------------|--------------------|
| <b>Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b>       |        |   |                    |                  |              |              |                    |
| Economy, Environment & Communities  | OP1    | Income generation review of fees and charges - increase planning development charges by 5%  | (1,385)            | 0                | 0            | 0            | (1,385)            |
|   | OP4    | Regeneration & Economy team review  | (260,193)          | 0                | 0            | 0            | (260,193)          |
|   | OP53   | Income generation review of fees and charges - increase Arts Centre hire and lettings by 12%; bar commission fees by 15%              | (7,463)            | 0                | 0            | 0            | (7,463)            |
|   | OP54   | Charge developers for travel plans (this was approved in 2022/23 budget and deferred for 1 year only)                                 | (30,000)           | 0                | 0            | 0            | (30,000)           |
|   | OP55   | Street lighting energy savings  | (728,000)          | (263,000)        | 0            | 0            | (991,000)          |
|   | OP58   | Increase domestic dropped crossing charges by 20%   | (4,000)            | 0                | 0            | 0            | (4,000)            |
|   | OP59   | Increase s.38 and s.278 fees  | (45,000)           | 0                | 0            | 0            | (45,000)           |
|   | OP60   | Increased bus lane/ bus gate enforcement  | (50,000)           | 0                | 0            | 0            | (50,000)           |
|   | OP64   | Income generation review of fees and charges - increase traffic management by 10%; street naming and numbering and skip permits by 2% | (8,944)            | 0                | 0            | 0            | (8,944)            |
|   | OP66   | Modified winter maintenance service - the same roads will be gritted but split into 5 routes rather than 6                            | (30,000)           | 0                | 0            | 0            | (30,000)           |
| <b>Total Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |        |   | <b>(1,164,985)</b> | <b>(263,000)</b> | <b>0</b>     | <b>0</b>     | <b>(1,427,985)</b> |

| Directorate  | Ref No   | Detail of Operational Proposals by Outcome   | 2023/24<br>£     | 2024/25<br>£    | 2025/26<br>£ | 2026/27<br>£       | Total<br>£   |
|--|--|--|------------------|-----------------|--------------|--------------------|--------------|
| <b>Education, training and skills enable people to contribute to their community and our economy</b>           |  |  |                  |                 |              |                    |              |
| Economy, Environment & Communities   | OP5  | Income generation review of fees and charges - increase library hire and lettings by 5%  | (761)            | 0               | 0            | 0                  | (761)        |
|  | <b>Total Education, training and skills enable people to contribute to their community and our economy</b> |  | <b>(761)</b>     | <b>0</b>        | <b>0</b>     | <b>0</b>           | <b>(761)</b> |
| <b>People can access support in their community to keep safe and well and remain independent at home</b>       |  |  |                  |                 |              |                    |              |
| Children's Education & Customer Engagement   | OP6  | Temporary Accommodation Rent Levels & Service Charges  | (60,000)         | 0               | 0            | 0                  | (60,000)     |
|  | OP7  | Increased external contributions for key initiatives in Money Home Job   | (50,000)         | 0               | 0            | 0                  | (50,000)     |
|  | OP9a   | Income generation review of grants - Afghan Citizens grant   | (52,587)         | 0               | 0            | 0                  | (52,587)     |
| <b>Total People can access support in their community to keep safe and well and remain independent at home</b> |  | <b>(162,587)</b>   | <b>0</b>         | <b>0</b>        | <b>0</b>     | <b>(162,587)</b>   |              |
| <b>People are supported to maintain or improve their health, wellbeing and quality of life</b>                 |  |  |                  |                 |              |                    |              |
| Adult Social Care, Public Health & Hubs  | OP10   | Demand - Develop and deliver additional support to Carers  | (240,934)        | (270,241)       | 0            | 0                  | (511,175)    |
|  | OP11   | Shared lives - foster care provision   | (116,277)        | (142,812)       | 0            | 0                  | (259,089)    |
|  | OP13   | Learning disability joint funding tool   | (954,000)        | 0               | 0            | 0                  | (954,000)    |
|  | OP14   | Full year effect of extension of existing client reviews and reduction in costs of new client packages   | (674,841)        | 0               | 0            | 0                  | (674,841)    |
|  | OP15   | Income generation review of grants - Section 75 grant  | (59,780)         | 0               | 0            | 0                  | (59,780)     |
| Economy, Environment & Communities   | OP16   | Enhancement of Darlaston Pool - implement new water features to improve teaching pool facilities and attract 'new business' - linked to capital investment | (15,000)         | 0               | 0            | 0                  | (15,000)     |
|  | OP17   | Development of Oak Park office space to create more functional fitness space to expand classes - linked to capital investment                              | (50,000)         | 0               | 0            | 0                  | (50,000)     |
|  | OP18   | Improvement to Direct Debit collection processes   | (10,000)         | 0               | 0            | 0                  | (10,000)     |
|  | OP19   | Review of coffee shop operations   | (10,000)         | (10,000)        | (10,000)     | 0                  | (30,000)     |
|  | OP22   | Above inflation increase to fees and charges   | 0                | (20,000)        | 0            | 0                  | (20,000)     |
|  | OP23a  | Income generation review of fees and charges - increase bereavement charges by 5%, registrars and interment fees by 3%                                     | (93,646)         | 0               | 0            | 0                  | (93,646)     |
|  | OP24   | Income generation review of fees and charges - increase active living by 5%; dry sports by 2%  | (52,182)         | 0               | 0            | 0                  | (52,182)     |
| <b>Total People are supported to maintain or improve their health, wellbeing and quality of life</b>           |  | <b>(2,276,660)</b>   | <b>(443,053)</b> | <b>(10,000)</b> | <b>0</b>     | <b>(2,729,713)</b> |              |

| Directorate   | Ref No | Detail of Operational Proposals by Outcome  | 2023/24<br>£     | 2024/25<br>£ | 2025/26<br>£ | 2026/27<br>£ | Total<br>£       |
|---|--------|---|------------------|--------------|--------------|--------------|------------------|
| <b>We get things right, first time and make all services accessible and easy to use</b>   |        |   |                  |              |              |              |                  |
| Children's Education & Customer Engagement  | OP8    | Housing benefits realignment of income  | (200,000)        | 0            | 0            | 0            | (200,000)        |
|   | OP9b   | Income generation review of grants - Household Support grant  | (280,000)        | 0            | 0            | 0            | (280,000)        |
| Economy, Environment & Communities  | OP23b  | Income generation review of fees and charges - increase bereavement charges by 5%, registrars and interment fees by 3%  | (93,646)         | 0            | 0            | 0            | (93,646)         |
| <b>Total We get things right, first time and make all services accessible and easy to use</b>   |        |   | <b>(573,646)</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>(573,646)</b> |
| <b>The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b> |        |   |                  |              |              |              |                  |
| Resources & Transformation  | OP27   | Reduce IT Service Desk availability to 9-5  | 0                | (25,000)     | 0            | 0            | (25,000)         |
|   | OP28   | Investment in strategic / higher level Financial Transactions management capacity - To be funded through increased recharges to external income   | (75,000)         | 0            | 0            | 0            | (75,000)         |
|   | OP29   | Reduction in Finance Business Partner capacity  | 0                | (276,039)    | 0            | 0            | (276,039)        |
|   | OP30   | Rationalise corporate estate to generate capital receipts and reduce maintenance and utility bills on our under utilised assets to create opportunities for redevelopment of sites or repurposing of assets to support frontline delivery | (500,000)        | 0            | 0            | 0            | (500,000)        |
|   | OP31   | Increase traded services within Cleaning, Caretaking and Catering   | (100,000)        | 0            | 0            | 0            | (100,000)        |
|   | OP32   | Renting out Civic Centre floor space to partners  | (100,000)        | 0            | 0            | 0            | (100,000)        |
|   | OP33   | Rephasing of required growth to creating a permanent team for continuity of external funding support  | 0                | (293,000)    | 0            | 0            | (293,000)        |
|   | OP34   | Platinum Secure Storage   | (13,000)         | 0            | 0            | 0            | (13,000)         |
|   | OP35   | Restore Offsite Storage (hard copy documents)   | (1,100)          | 0            | 0            | 0            | (1,100)          |
|   | OP36   | Promotion of One Source system to Schools for sickness absence data entry   | (30,000)         | 0            | 0            | 0            | (30,000)         |
|   | OP37   | Facilities Management staffing  | (200,000)        | 0            | 0            | 0            | (200,000)        |
|   | OP38   | Rental income review of assets  | (172,000)        | 0            | 0            | 0            | (172,000)        |
|   | OP39   | School crossing patrols - review of provision   | (100,000)        | 0            | 0            | 0            | (100,000)        |
|   | OP40   | Redundant buildings provision   | (250,000)        | 0            | 0            | 0            | (250,000)        |
|   | OP41   | Challenge buildings costs   | (143,000)        | 0            | 0            | 0            | (143,000)        |
| Central / Capital Financing   | OP26   | Council wide efficiencies relating to Customer Access Management  | (4,470,000)      | 0            | 0            | 0            | (4,470,000)      |
|   | OP42   | Borrowing rescheduling  | (897,500)        | 0            | 0            | 0            | (897,500)        |

| Directorate   | Ref No  | Detail of Operational Proposals by Outcome   | 2023/24<br>£       | 2024/25<br>£       | 2025/26<br>£     | 2026/27<br>£     | Total<br>£          |
|---|---------|--|--------------------|--------------------|------------------|------------------|---------------------|
| Central / Capital Financing   | OP67    | Additional themed savings to fund any changed in demand or cost of living pressures                          | 0                  | (5,000,000)        | 0                | 0                | (5,000,000)         |
| <b>Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b> |         |  | <b>(7,051,600)</b> | <b>(5,594,039)</b> | <b>0</b>         | <b>0</b>         | <b>(12,645,639)</b> |
| <b>Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b>   |         |  |                    |                    |                  |                  |                     |
| Children's Education & Customer Engagement  | OP2     | Home to School Transport review of contracts and route optimisation  | (300,000)          | 0                  | 0                | 0                | (300,000)           |
|   | OP3     | Increase top slice of Basic Need capital Funding Block   | (96,000)           | 0                  | 0                | 0                | (96,000)            |
| <b>Total Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b>   |         |  | <b>(396,000)</b>   | <b>0</b>           | <b>0</b>         | <b>0</b>         | <b>(396,000)</b>    |
| <b>Children and young people grow up in connected communities and feel safe everywhere</b>  |         |  |                    |                    |                  |                  |                     |
| Children's Education & Customer Engagement  | OP43    | Extension of Strengthening Families, Protecting Children Model   | (75,000)           | 0                  | 0                | 0                | (75,000)            |
|   | OP44    | Adolescent Service - Turning Point   | (560,000)          | 0                  | 0                | 0                | (560,000)           |
|   | OP45/51 | Further Recruitment & Retention of internal Foster Carers  | (630,000)          | (600,000)          | (600,000)        | (600,000)        | (2,430,000)         |
|   | OP46/52 | Specialist Foster Placements   | (392,000)          | (244,000)          | (244,000)        | (244,000)        | (1,124,000)         |
|   | OP47    | Sibling Groups of 4+   | (200,000)          | 0                  | 0                | 0                | (200,000)           |
|   | OP48    | Review of Non-Staffing Costs across Children's Social Care   | (100,000)          | 0                  | 0                | 0                | (100,000)           |
|   | OP49    | Efficiencies from the charging of revenue costs to Supporting Families grant                                 | (329,373)          | 0                  | 0                | 0                | (329,373)           |
|   | OP50    | Development of locality partnership offer in Early Help. Investment 47 proposes that this saving is removed. | 0                  | (888,396)          | 0                | 0                | (888,396)           |
| <b>Total Children and young people grow up in connected communities and feel safe everywhere</b>  |         |  | <b>(2,286,373)</b> | <b>(1,732,396)</b> | <b>(844,000)</b> | <b>(844,000)</b> | <b>(5,706,769)</b>  |
| <b>The people of Walsall feel safe in a cleaner, greener Borough</b>  |         |  |                    |                    |                  |                  |                     |
| Economy, Environment & Communities  | OP20    | Develop new concessions in more parks  | (5,000)            | 0                  | 0                | 0                | (5,000)             |
|   | OP21    | Increase rental income from Park Lodges  | (5,000)            | 0                  | 0                | 0                | (5,000)             |
|   | OP25    | Further efficiencies relating to Customer Access Management  | (96,038)           | 0                  | 0                | 0                | (96,038)            |
|   | OP56    | Increase recycling rates and reduce contamination  | (382,523)          | 0                  | 0                | 0                | (382,523)           |
|   | OP57    | Additional Trade Waste Income  | 0                  | (68,350)           | 0                | 0                | (68,350)            |
|   | OP61    | Trade waste overrecovery of income   | (130,200)          | 0                  | 0                | 0                | (130,200)           |
|   | OP62    | Waste to recycling review  | (300,000)          | 0                  | 0                | 0                | (300,000)           |

| Directorate  | Ref No | Detail of Operational Proposals by Outcome   | 2023/24<br>£        | 2024/25<br>£       | 2025/26<br>£     | 2026/27<br>£     | Total<br>£          |
|--|--------|--|---------------------|--------------------|------------------|------------------|---------------------|
| Economy, Environment & Communities   | OP63   | Income generation review of fees and charges - increase grounds maintenance, trees and arboretum rents by 5%; domestic waste and street cleansing by 10%; sale of bins by 22%; vehicle testing by 2.16%; vehicle goods and services by 20% | (55,102)            | 0                  | 0                | 0                | (55,102)            |
|  | OP65   | Income generation review of fees and charges - increase regulatory licences and permits by 28%   | (5,155)             | 0                  | 0                | 0                | (5,155)             |
| <b>Total The people of Walsall feel safe in a cleaner, greener Borough</b> |        |  | <b>(979,018)</b>    | <b>(68,350)</b>    | <b>0</b>         | <b>0</b>         | <b>(941,330)</b>    |
| <b>Total Operational Proposals</b>   |        |  | <b>(14,891,630)</b> | <b>(8,100,838)</b> | <b>(854,000)</b> | <b>(844,000)</b> | <b>(24,584,430)</b> |

|                                | 2023/24<br>£        | 2024/25<br>£       | 2025/26<br>£     | 2026/27<br>£     | Total<br>£          |
|--------------------------------|---------------------|--------------------|------------------|------------------|---------------------|
| <b>Total Savings Proposals</b> |                     |                    |                  |                  |                     |
| A - Policy Proposals           | (821,124)           | 0                  | 0                | 0                | (821,124)           |
| B - Operational Proposals      | (14,891,630)        | (8,100,838)        | (854,000)        | (844,000)        | (24,690,468)        |
| <b>Total Savings Proposals</b> | <b>(15,712,754)</b> | <b>(8,100,838)</b> | <b>(854,000)</b> | <b>(844,000)</b> | <b>(25,511,592)</b> |

### Savings Proposals Summary by Outcome

| Outcome  | 2023/24<br>£        | 2024/25<br>£       | 2025/26<br>£     | 2026/27<br>£     | Total<br>£          |
|--|---------------------|--------------------|------------------|------------------|---------------------|
| Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place   | (1,245,785)         | (263,000)          | 0                | 0                | (1,508,785)         |
| Education, training and skills enable people to contribute to their community and our economy  | (761)               | 0                  | 0                | 0                | (761)               |
| People can access support in their community to keep safe and well and remain independent at home  | (250,787)           | 0                  | 0                | 0                | (250,787)           |
| People are supported to maintain or improve their health, wellbeing and quality of life  | (2,289,538)         | (443,053)          | (10,000)         | 0                | (2,742,591)         |
| We get things right, first time and make all services accessible and easy to use   | (573,646)           | 0                  | 0                | 0                | (573,646)           |
| The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring | (7,062,498)         | (5,594,039)        | 0                | 0                | (12,656,537)        |
| Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential   | (396,000)           | 0                  | 0                | 0                | (396,000)           |
| Children and young people grow up in connected communities and feel safe everywhere  | (2,286,373)         | (1,732,396)        | (844,000)        | (844,000)        | (5,706,769)         |
| Our communities will be more resilient and supportive of each other  | 0                   | 0                  | 0                | 0                | 0                   |
| The people of Walsall feel safe in a cleaner, greener Borough  | (1,607,366)         | (68,350)           | 0                | 0                | (1,675,716)         |
| <b>Total Savings Proposals</b>   | <b>(15,712,754)</b> | <b>(8,100,838)</b> | <b>(854,000)</b> | <b>(844,000)</b> | <b>(25,511,592)</b> |

### Savings Proposals Summary by Directorate

| Directorate                                  | 2023/24<br>£        | 2024/25<br>£       | 2025/26<br>£     | 2026/27<br>£     | Total<br>£          |
|--|---------------------|--------------------|------------------|------------------|---------------------|
| Adult Social Care and Public Health          | (2,045,832)         | (413,053)          | 0                | 0                | (2,458,885)         |
| Children's Services and Customer Engagement: |                     |                    |                  |                  |                     |
| - Children's Services                        | (2,682,373)         | (1,732,396)        | (844,000)        | (844,000)        | (6,102,769)         |
| - Customer Engagement                        | (730,787)           | 0                  | 0                | 0                | (730,787)           |
| Economy, Environment and Communities         | (3,191,264)         | (361,350)          | (10,000)         | 0                | (3,562,614)         |
| Resources and Transformation                 | (1,694,998)         | (594,039)          | 0                | 0                | (2,289,037)         |
| Central                                      | (5,367,500)         | (5,000,000)        | 0                | 0                | (10,367,500)        |
| <b>Total Savings Proposals</b>               | <b>(15,712,754)</b> | <b>(8,100,838)</b> | <b>(854,000)</b> | <b>(844,000)</b> | <b>(25,511,592)</b> |

### Savings Proposals Summary by Proud Workstream

| Workstream                     | 2023/24<br>£        | 2024/25<br>£       | 2025/26<br>£     | 2026/27<br>£     | Total<br>£          |
|--------------------------------|---------------------|--------------------|------------------|------------------|---------------------|
| Third Party Spend              | (5,201,248)         | (3,099,000)        | (844,000)        | (844,000)        | (9,988,248)         |
| Income Generation              | (3,771,151)         | (1,970,297)        | (10,000)         | 0                | (5,751,448)         |
| Enabling Support Services      | (105,000)           | (827,355)          | 0                | 0                | (932,355)           |
| Customer Access Management     | (4,939,109)         | (2,204,185)        | 0                | 0                | (7,143,295)         |
| Corporate Landlord             | (1,696,246)         | 0                  | 0                | 0                | (1,696,246)         |
| <b>Total Savings Proposals</b> | <b>(15,712,754)</b> | <b>(8,100,838)</b> | <b>(854,000)</b> | <b>(844,000)</b> | <b>(25,511,592)</b> |

## Part 1 Annex 8 – Capital & Investment Strategy

### 1. INTRODUCTION

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a Capital Strategy to demonstrate how capital expenditure, capital financing and treasury management activity contribute to the provision of desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability.
- 1.2 The Strategy forms part of the framework for financial planning and is integral to both the Medium Term Financial Framework (MTFF) and the Treasury Management Strategy (shown at Part 1 section 1.2 of this Corporate Budget Plan) and considers the funding implications of the capital programme and where borrowing is required. It sets out how capital investment will play its part in delivering the ambitious long term strategic objectives of the council, how associated risk is managed and the implications for future financial sustainability. The Strategy is also in line with the Ministry of Housing, Communities and Local Government's (MHCLG) (now Department for Levelling Up, Housing & Communities (DLUHC)) 2018 statutory guidance on local government investments.

### 2. AIM AND OBJECTIVES

- 2.1 The Capital Strategy forms a key part of the council's overall corporate planning framework by which capital and investment decisions will be made with a focus on protecting the council's assets and delivering the council's corporate objectives. The overarching aim of the 2023/24 to 2026/27 Capital Strategy is to provide a framework within which the council's capital investment and financing decisions can be aligned with the council's corporate priorities and objectives over the medium term. The Strategy recognises uncertainties, especially in relation to funding in later years.
- 2.2 In order to reflect the council's corporate priorities the Capital Strategy is driven by the Council Plan 2022-2025 which sets out the council's Vision, Purpose, Guiding Principles and Strategic Priorities.

The main sections of the Capital Strategy link to the Council Plan in the following key areas:

- **Asset Management Planning** – is aligned to the Council Plan by reviewing service needs to ensure that quality services are delivered, and to further protect the Council's assets.
- **School Estate Planning** – is aligned to the Council Plan by investing in Schools to providing the best start in life for the boroughs children.
- **Investment in Regeneration and Housing** – is aligned to the Council Plan by a focus on economic growth by supporting key strategic projects that will deliver business growth and jobs across the borough as well as supporting the delivery of our local plan and housing needs over the medium to long term.
- **Investment in our Digital Services** - is aligned to the Council Plan by enabling services to meet the needs of the customer, to be efficient and deliver value for money.
- **Capital Investment for Revenue Benefits** – is aligned to the Council Plan by investing in relevant services to reduce expenditure or create or increase revenue,

impacting better value for money.

### 3. Capital Expenditure

#### 3.1 Setting the Capital Programme

3.1.1 The council's capital programme covering the period 2023/24 to 2026/27 is set out within **Annex 9** of this Corporate Budget Plan.

3.1.2 The basis of the Capital Programme is driven by the budget and service planning process. This process begins early in each financial year, usually around June. The size of the Capital Programme is determined by:

- The need to incur capital expenditure
- Capital resources available
- The revenue implications flowing from the expenditure.

3.1.3 As part of the budget and service planning process, services are required to review capital needs locally, and to align with service priorities. Where directorate capital and asset groups agree these requirements, then these capital investments are named as projects and included in the Council's investment pipeline schedule ("Pipeline"). The Pipeline includes the following information:

- Project background, including context, key dates and requirements
- Project objectives and outputs
- Scope and justification of the project
- Draft profile of spend by financial year, source of funding, and revenue implications
- References to background papers and key documentation
- Anticipated project sponsor and project manager

3.1.4 The Pipeline is scored, initially by project leads and managers, using the scoring matrix in Table 1 below. The scored Pipeline is then tested and challenged by the Council's Strategic Investment Board (SIB) and its Funding Sub-Group (FSG), with scores adjusted where necessary. This ensures that scoring is robust and consistent across directorates, and projects can be categorised between "highly recommended", "recommended" and "not recommended" based on their score and the funding available. Once SIB are content with the prioritised Pipeline, this is reviewed by Members for review and challenge. This process ensures that investment is directed to projects that align with the Council's strategies and meets our aims, objectives and outcomes. It also ensures that budgets are ring-fenced for critical and deliverable schemes, rather than committing funds to schemes that are at risk of carry forward or not realistic to deliver at all.



Table 1: Pipeline investment scoring matrix

| Ranking Criteria                      | Weighting | Notes   | SCORING   |   |   |
|---------------------------------------|-----------|---|---|---|---|
|                                       |           |   | GREEN   | AMBER   | RED   |
|                                       |           | Reg rating  |   |   |   |
|                                       |           | Points  | 3   | 2   | 1   |
| Aligned to local plans and strategies | 40%       | We should only be developing schemes in our wider plans. WM and DC Strategic Economic Plans, Walsall Council Plan, MTPS, Local planning policy, Site Allocation Document, Town Centre Area Action Plan, Walsall 2040. | Aligns to National AND local strategies                             | Aligns only to National OR local strategies                       | No alignment to a specific strategy                               |
| Essential service                     | 20%       | Supports Council Infrastructure to enable service delivery  | Non Investment to not an option                                     | Investment would be profitable and enhance service                | Non essential   |
| Short term deliverability             | 20%       | Likelihood of end scheme being delivered in short term  | Delivery could commence in 10 months                                | Delivery 1-3 years  | Delivery 4-5 years  |
| Finance potential                     | 20%       | Potential for the wider scheme to secure external funding / match funding / recycling of funds i.e. commercialisation, coverage, land sale etc so that more of the pipeline can be funded in the longer term          | match funding (>50%) and revenue savings including payoffs within 5 | funding or revenue savings generate or significant cost avoidance | funding OR will result in no revenue change or a net revenue cost |

3.1.5 Pipeline projects are categories between existing need (i.e. business as usual or project overspends) and new investments:

- Existing projects are named and valued in the Capital Programme.
- A Pipeline Investment marker will be included in the Capital Programme for new investments, where indicative schemes are named but are subject to a Green Book compliant business case, future endorsement by SIB and approval by Cabinet.

3.1.6 Business cases, where requested to be completed, will be subject to formal review and assessment. A business case will include more detailed information on the proposed scheme, along with options where applicable, in line with the Government’s 5 case model for developing business cases and would expect to include the following:

- Strategic Case - Provides strategic fit and is supported by a compelling case for change, and why the project is proposed.
- Economic Case - Focuses on options appraisal and the identification of the preferred option by comparing value for money and non-quantified benefits of each delivery option
- Financial Case – Assesses if the preferred option is fundable and affordable over the project lifetime (capital and revenue)
- Commercial Case - Is commercially viable and attractive to suppliers. This section focuses on the development and procurement of the potential Deal
- Management Case - Can the project be delivered successfully by the organisation and its partners, does it need extra support and resource? This section focuses on the implementation arrangements for the proposal and milestones.
- The business case also covers key assumptions, dependencies and risks.

3.1.7 Cabinet determine the projects to be included within the Capital Programme based on the scoring matrix agreed and reviewed by SIB and the recommendations received and then adjusted where needed to account for additional criteria not included in the scoring matrix, as well the overall impact on the revenue budget. Schemes that require

use of the council's own capital resources (such as prudential borrowing or capital receipts), are categorised according to the following, in order to assist the decision making process:

- Level One Priority – relates to schemes that are unavoidable to meet statutory and legislative requirements in the provision of services. It includes items such as health and safety, new legislation etc. By their nature, these schemes are a first call on available resources. It also includes supported borrowing allocations which are ring fenced to a specific programme of activity.
- Level Two Priority – relates to schemes that unlock external investment in the borough; drives out long-term revenue savings; support the strengthening of the borough's economy; delivers an efficient and effective operational estate linked to the Asset Management programme; and invests in assets to grow future income streams for the council.

This is reflected as part of the scoring of the Pipeline, under the Essential Service category in Table 1.

3.1.8 The council's policy is to agree the Capital Programme on an annual basis at the Council meeting in February. Once approved, the budget report is made available on the council's website, and published on the finance pages of the council's intranet.

## **3.2 Managing the Capital Programme**

3.2.1 The council's contract/financial procedure rules and constitution provide a clear framework on how all capital projects are to be managed.

3.2.2 Regular monthly monitoring reports are submitted to directorate management teams and then to CMT, ASG, Cabinet and Overview and Scrutiny Committees, showing actual expenditure compared with budget. This enables high-level scrutiny of the delivery of capital objectives against the plan and for action to be taken to ensure the longer term programme reflects emerging priorities.

3.2.3 The Pipeline Investment fund supports in year opportunities and commitments. The authority will hold a central contingency/project reserve, which is administered by corporate finance. The Pipeline is an ongoing and iterative schedule that is reviewed regularly by SIB and its FSG to ensure investments continue to be directed to council priorities. The Pipeline also includes an allocation to cover minor investments (<£100k) so that a more proportionate approach can be taken. Pipeline projects that were categorised as "not recommended" are held on a reserve list and commenced if scoring and prioritisation of the Pipeline changes throughout the year and sufficient funding becomes available.

3.2.4 The potential use of contingency and reserves for specific projects will be reported to SIB, ASG and Cabinet as relevant. This will also include the request to use council funds as match funding towards external funded schemes, and the funding to support essential works including health and safety schemes that cannot be programmed at the start of the financial year.

### **3.3 Restriction on Borrowing and Use of Capital Receipts**

- 3.3.1 The council funded element of the Capital Programme is normally financed from borrowing, capital receipts and the carry forward of unspent allocations from previous years.
- 3.3.2 There is no restriction on the level of borrowing that the council can undertake, subject to compliance with the Treasury Management Code of Practice and affordability of the revenue costs. However subject to this compliance, borrowing is required to be funded from the council's own resources - generated through savings, and/or paid for via council tax (this is also commonly known as unsupported or Prudential borrowing). This links to the council's Operational Boundary and Authorised Limit set within the Treasury Management & Investment Strategy based on forecast capital programme and pipeline requirements with affordable headroom built in. Any excess borrowing required over the Authorised Limit would require further council approval and a full assessment of affordability.
- 3.3.3 Capital receipt projections for 2023/24 are estimated to be circa £2.5m based on professional estimates of property colleagues and subject to change dependent on the implementation of the Strategic Asset Plan and any additional disposals identified following the current agreed list. Any additional receipts received in year (excluding those earmarked for specific schemes) will be considered to fund projects identified on the reserve list of schemes or transformation projects in line with the Flexible Use of Capital Receipts Strategy (shown within **Annex 10** of this Corporate Budget Plan).

### **3.4 Asset Management Planning**

- 3.4.1 The council has a typical local authority property portfolio consisting of operational property, investment property and property held for specific community or regeneration purposes. The council manages its portfolio under the guidance of its newly approved Strategic Asset Plan (SAP) 2022-27. In recent years, the council has adopted the current MTFO and embarked on a transformation agenda (Walsall Proud) to support the delivery of the Council Plan. Additionally, the council has reacted, operated and delivered services during the Covid period and is working to implement the medium to longer term solutions to manage these impacts for now and for the future.
- 3.4.2 The preparation and adoption of the Strategic Asset Plan is a major part of the transformation of the council's property teams – originally the Transformation Programme theme of “Our Assets”. Another significant part of the transformation is the adoption of a Corporate Landlord model for the management of the council's land and property assets which seeks to centralise the responsibilities and management of all property assets within the Corporate Landlord team which enables more effective and efficient strategic management of the portfolio and has now been embedded within the council and its core principles.
- 3.4.3 A significant aim of the Strategic Asset Plan was to undertake an ongoing review of the buildings within the portfolio in order to maximise utilisation of the council's properties. This process was particularly pertinent as the council modifies its ways of working following the Covid-19 to fully consider future customer, employee and member requirements and expectations, alongside an internal review of the condition of our corporate estate. This would then inform our options and asset investment, acquisitions and disposals to meet these in the most effective way. In addition to this,

we've set up an asset challenge process which seeks to identify the worst performing assets and assesses the options for those buildings being investment to improve, alterations to improve performance and suitability or disposal.

- 3.4.4 The new SIB and corporate landlord board governance process is already contributing to more joined-up decision making regarding the use of its land and property, and is enabling strategic decisions such as the adoption of a planned preventative maintenance programmes and land assembly to support regeneration activity, to be made in consideration of wider corporate objectives and bearing in mind cross council service needs.
- 3.4.5 The Disposals Strategy provides a framework for the decision-making process for the retention or disposal of surplus assets and the prioritisation of the disposal programme. The adoption of the Disposals Strategy will enable better planning for and forecasting of capital receipts generated through the disposal of surplus assets which contribute towards funding the capital programme.
- 3.4.6 Outcomes of the above will be brought through the SIB, ASG and Cabinet process once reviewed and agreed and will be updated within the Capital Programme accordingly.
- 3.4.7 Additionally the Highway Asset Management Plan sets out how the Council Plan links to the way the council develops and maintains the highways which are the single most valuable asset the council is responsible for. The way the highways are maintained and managed has a direct impact on the borough's residents, businesses and visitors and further investment will sustain and encourage economic growth.

### **3.5 School Estate Planning**

- 3.5.1 The Council has a duty to ensure there are sufficient school places for resident children who require a school place. Basic Need Capital funding is therefore allocated by the Department for Education to local authorities, based on pupil place number forecasts, to deliver the additional places in schools to meet expected demand. The Authority has identified a significant increase in demand and has, inclusive of Basic Need carry forwards and confirmed allocations until 2022/23, a funding envelope of circa £28m in order to deliver the required anticipated places. Further allocations for 2023/24 have been announced and the funding circa £10.7m will be received to reflect the increasing demand in secondary school places. Currently there is a nil allocation for 2024/25, however the final confirmation will be dependent upon demand of pupil places in the Walsall Borough and will be announced on a rolling annual basis via the Education & Skills Funding Agency (ESFA).
- 3.5.2 The pupil place requirement for SEND/mainstream places is increasing for many local authorities including Walsall. The impact of this is that local authority areas may not have sufficient or appropriate provision and capacity to deliver specialist support and therefore accurate management of limited resources like finance becomes pivotal to ensure not just the delivery of places but also value for money.
- 3.5.3 With a view to support these challenges, the authority has identified the need to appoint a strategic partner who will work with the authority to develop and deliver proposals relating to any new and emerging need for pupil places, responding to the changing trends in demand for pupil places as well as support the development of a longer-term

plan for delivery of places and our wider Education Capital Programme. The appointment of a strategic partner will also help the Authority deliver school places more efficiently and effectively and improve value for money.

3.5.4 To deal with the shortfall of places as mentioned above for September 2023 and beyond for SEND/Secondary places, a plan of short, medium and long term works has been identified and approved at cabinet to ensure that there are enough places available.

3.5.5 The anticipated expansion programme is likely to have a significant impact on the Council's educational estate, providing enhancements to the operational benefit of schools. The programme will entail extensive works to extend, alter and remodel the portfolio, and could in some instances see the construction of new buildings. In accordance with any well-planned construction programme it will be important to undertake pre-construction feasibility activity and site surveys to inform all necessary consents, as well as construction costs, and future maintenance responsibilities. Such consents will need to include planning and building regulations in addition to any specific requirements of other statutory bodies/ undertakers.

### **3.6 Investment in Regeneration**

3.6.1 In support of the objectives set out within the Council Plan 2022-2025, to achieve 'Economic Growth for all people, communities and businesses', the Council continues to plan for and deliver its regeneration plans and proposals in line with local, sub regional and regional strategies. This activity becomes even more important as part of the council's 'Ways of Working' agenda following Covid-19, and can underpin the overall borough's economic recovery approach.

3.6.2 Additionally the authority, like many other councils, continues to explore alternative models for intervening in the market to aid our regeneration opportunities, and in ways that may also secure longer term revenue income as well as create additional business rate and council tax income. These opportunities will be modelled to provide assurance that sufficient investment returns over the life of the project are consistent with long term treasury investment returns adjusted for risk.

3.6.3 Building upon the economic growth aspirations of key documents including the West Midlands and Black Country Strategic Economic Plans, Walsall Economic Strategy, local planning policy documents including the Walsall Site Allocation Document and Town Centre Area Action Plan and the emerging Walsall Local Plan, and the Walsall Town Centre Masterplan, the Council recognises its role in enabling public and private sector investment to be secured to continue / facilitate the delivery of key development opportunities, and has used capital resources to acquire land interests in key regeneration locations, including within the Black Country Enterprise Zone (BCEZ). Consideration is being given to future acquisitions to support the delivery of other projects.

3.6.4 Walsall has an extensive prioritised development pipeline which comprises schemes that can support the delivery of:

- 115 hectares of land remediated/ redeveloped
- 6,900 new or sustained jobs within Walsall

- 2,400 new homes
- 280,000 square meters of employment / commercial floors space

The regeneration pipeline is included in the Council's Pipeline (para 3.1.3) and scored alongside wider Council projects, so investment decisions can be taken in the context of the Council's wider strategy and aims and objectives.

- 3.6.5 Successful delivery of these projects will only be achieved through collaborative working between the council, public sector partners and private developers/ investors, with the potential utilisation of public sources of finance.
- 3.6.6 The council has a strong track record of working in partnership to secure investment; in recent years the council has supported £350m of investment into the borough and further interventions are planned.
- 3.6.7 The council is currently working with the West Midlands Combined Authority and private sector investors to prepare funding propositions for the delivery of development and infrastructure projects.
- 3.6.8 In July 2019 the council completed the Walsall Town Centre Masterplan to build upon the Walsall Town Centre Area Action Plan to understand the interventions that may need to be undertaken to 're-think' the Town Centre and unlock development opportunities; such opportunities have identified the need for public funding in the region of £116m with some of this achieved through investment propositions and co funding mechanism.
- 3.6.9 Building on the successful award of £11.4m of the Government's Future High Street Fund for a multi-million pound project to transform the connectivity of the town centre's rail and bus stations, the Council has also been successful in being awarded £21.3m out of the £25m bids for each of the eligible Bloxwich and Walsall town areas from the Government's Towns Funds (£42.6m total). Projects within the Towns Fund programme are at various stages, but business cases have been, or will be, submitted by 31 March 2023 with the majority of projects having secured their in-year grant allocations in advance and are moving into the delivery phase.
- 3.6.10 Looking ahead, and recognising the continued changing market conditions and development viability issues, the council has prioritised its regeneration activity to focus upon key strategic locations in the borough including Walsall Town Centre and Willenhall District Town Centres, the BCEZ, and significant brownfield housing development sites throughout the Walsall to Wolverhampton housing growth corridor.
- 3.6.11 Delivery of the BCEZ can utilise Public Works Loan Board funding for upfront enabling works where this will be repaid in full through future business rate uplift. The delivery of new homes in the W2W Corridor can be assisted by the West Midlands Land Fund, but other sources of financing will also be required to unlock the 8500 new homes envisaged across Walsall and Wolverhampton.
- 3.6.12 In this context it should be noted that Government has recently made announcements in relation to additional funding being provided to WMCA which may be able to support project delivery in the borough.

### **3.7 External Funding**

- 3.7.1 With local authorities operating within challenging funding conditions, capital expenditure secured through external bidding provides opportunity for the Council and/or partners to address challenges facing the Borough. The scale and context of bids can vary significantly, with delivery periods ranging from short to longer term, but all enable maintained or improved service standards for residents, businesses and visitors alike.
- 3.7.2 The focussed capital pipeline enables the external funding team to monitor funding opportunities in alignment with Council priorities, allowing for bid development and approval to progress efficiently where eligibility is identified. Strategic capital priorities can align with external funders' own strategies and areas of focus, so the management of pipelines including 'shovel ready' schemes enables the Council to capitalise on short term funding cycles. Notably, the Council has developed its relationship with specific sector funders, such as the National Lottery Heritage Fund, resourcing staff capacity directly within the local authority to work collaboratively to support Walsall's priority area status within the funder's own delivery framework.
- 3.7.3 Resourcing external funding enables core staff to focus on service delivery, without additional stress or pressure to address deficits within future strategies. A particular skill-set is required to ensure such bids are adequately researched well written and deliverable in-line with projected capacity. Walsall Council's resourcing of an external funding team has delivered an increasingly positive return on investment, working across Council service areas to both identify opportunities and secure resources. Funding awarded through discrete, competitive funding rounds enables the local authority to target capacity where most effective to deliver against financial budgets and strategic ambitions.
- 3.7.4 The Capital Investment Strategy and Pipeline projects capacity needs, in-line with core resources. The inclusion of funded staff capacity within bids is identified as a key priority to deliver against ambitious capital programmes with the necessary competencies, and address staff capacity against existing work streams. Partnership delivery, so often associated with capital schemes, developed through engagement with both funders and local partners, then resources specific sectors with project outputs delivered collaboratively, enabling council resource to be implemented strategically.

## **4. DEBT & BORROWING AND TREASURY MANAGEMENT**

- 4.1 A projection of external debt and use of internal borrowing to support capital expenditure, the council's authorised borrowing limit and operational boundary along with the Capital Financing Requirement are set out within the Treasury Management & Investment Strategy (section B, part 2 of the Corporate Budget Plan).
- 4.2 The Treasury Management & Investment Strategy also sets out the council's Minimum Revenue Provision (MRP) which identifies the financial provision that the authority is required to set aside each year for the provision of the repayment of borrowing over the life of the underlying debt.

## **Risk Appetite Statement**

- 4.3 The Prudential Code (2017) requires authorities to disclose their risk appetite with regard to its treasury management activity. This is set out within our Treasury Management Policy Statement and within TMP1.
- 4.4 For the purpose of this statement, the authority has adopted the Orange Book (UK government publication on the strategic management of risk within government) definition of Risk Appetite, namely “the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time.”
- 4.5 It is important to note that risk will always exist in some measure and cannot be removed in its entirety. Additionally, in order to realise investment and commercial gains, an organisation has to take some measure of risk. Therefore, risks need to be considered both in terms of threats to the council as well as positive opportunities.
- 4.6 It is worth noting that the Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well exist within the organisation or can be brought to bear.
- 4.7 The authority’s risk appetite statement sets out how it balances risk and return in pursuit of achieving its objectives. It is intended to aid careful decision-making, such that the council takes well thought through risks to aid successful delivery of its services and obligations, while also understanding the adverse aspects of risk undertaken and taking appropriate measures to mitigate these in line with its stated goals. Thereby, the council’s risk judgements are more explicit, transparent and consistent over time.
- 4.8 The risk appetite statement forms a key element of the council’s governance and reporting framework and is set by full Council as part of the Capital & Investment Strategy. In addition, the risk appetite will be considered annually and monitored on an ongoing basis by the Treasury Management Panel and external advisors.

## **Relationship to Other Aspects of Risk Management**

- 4.9 It is important to note that the risk appetite is a high level view on the key areas of risk and the qualitative quantum therein that the council is willing to accept in pursuit of its objectives. In this, it is different to other key aspects of risk management, primarily:
- The Strategic Risk Register – a detailed list of the potential significant risks the council is exposed to;
  - The budget risk assessment – the assessed level of risk at which the council can operate, given its reserves, revenues, and access to funding, liquidity, regulatory and legal constraints, and any other restrictions.
- 4.10 The risk appetite is also supported by the following:
- The council’s risk management framework;
  - The governance structure and responsibilities;
  - Risk reporting;
  - Monitoring and escalation procedures.



## **Treasury Management Risk Appetite**

- 4.11 In general, the council's treasury management risk appetite is expressed through its tolerance to risk in respect of capital preservation, meaningful liquidity and income volatility. The council seeks to minimise its exposure to risks that are unwanted and unrewarded. Capital is managed centrally on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet costs and support front line services, as well as meeting long-term solvency and funding requirements.
- 4.12 The council's treasury management operations are exposed to a broad range of risks. These, along with the council's approach to managing them, are set out in detail within the authorities Treasury Management Policies (TMP 1 – Treasury Risk management).
- 4.13 Managing the council's treasury management risks is an area of significant focus for the Treasury Management Panel (TMP) and the council adopts an integrated view to the management and qualitative assessment of risk. The TMP is made up of senior council finance officers who meet to discuss treasury management performance, development of policy and identification of potential new investment products and the detail relating to them.
- 4.14 The council aims to minimise its exposure to unwanted risks – those risks that are not actively sought and which carry no commensurate reward for the council.

## **5. COMMERCIAL ACTIVITY**

- 5.1 If commercial opportunities do arise the council will review these to understand if there is a potential for a financial or community based (regeneration / creating or securing jobs etc) contribution from the scheme.
- 5.2 In support of reviewing these options and informing decision making the council has a strong governance framework that goes beyond the regulatory codes. This includes the Audit Committee and reporting to Cabinet and Council.
- 5.3 Due diligence is of paramount importance. All of the council's commercial investments will be supported by individual business cases that are subject to thorough risk assessment. Where appropriate to the size and scale of the project independent technical and legal reviews will also be considered.
- 5.4 Ongoing performance monitoring for all commercial schemes that have been entered in to is also undertaken and reported to relevant members and senior officers on a regular basis through Asset Strategy Group.
- 5.5 The council also seeks to ensure that all commercial schemes it considers and undertakes are fully aligned with priority outcomes set out within the Council Plan and are in line with the DLUHC guidance making it clear local authorities are no longer allowed to borrow to invest purely for commercial yield.
- 5.6 The council's approach to non-financial investments, including their contribution, benchmarking indicators, risk assessment process and proportionality of the income

derived from them in comparison to net service expenditure is set out within the Treasury Management & Investment Strategy.

- 5.7 Following consultation during 2020, HM Treasury have now revised access requirements for local authorities seeking to access borrowing from the Public Works and Loans Board (PWLB). These revisions mean that local authorities will not be able to access PWLB borrowing to buy investment property with the primary aim of generating yield, and specifically to access PWLB funding authorities will need to submit three year capital plans to PWLB, with the S151 officer confirming that there is no intention to buy investment properties primarily for yield at any point within those three years.
- 5.8 If there are any intentions by the authority to buy investment properties primarily for yield within the three year capital programme then PWLB will not be able to lend to the authority for the period of that programme. HM Treasury have also confirmed that where local authorities do seek to pursue debt-for-yield projects which they finance in other ways, such as through the use of internal cash balances or borrowing from other financial institutions, they would then not be able to access PWLB borrowing to refinance this element of debt going forward.
- 5.9 As interest rates on PWLB borrowing are normally more favourable than other forms of borrowing, being unable to access PWLB and having to seek borrowing from other financial institutions is therefore likely to increase the overall revenue costs required to fund the elements of the council's capital programme which are funded from borrowing – for example every 1% increase in interest costs on a three year capital programme including circa £120m of capital spending funded from borrowing (similar to the level included within this report) would add £1.2m of additional ongoing revenue costs per year by the end of the three year period.

## **6. OTHER LONG TERM LIABILITIES**

### **Pension Guarantees**

- 6.1 The council has entered into a number of long-term contracts for services that have been outsourced to service providers. These often involve the transfer of council employees to the new service provider. Employee's rights are protected under the provision in Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However, pension rights are not fully covered within TUPE regulations. The council have thus given pension guarantees to a number of organisations. This guarantee means that if an admitted body fails to pay its pension obligations then the council will be responsible for taking on those obligations.
- 6.2 All guarantees entered into need the approval of Cabinet. The guarantees are reviewed annually as part of the closure of accounts process. The pension balance is assessed on an annual basis by the Pension Fund and is subject to change due to the underlying assets. This is rebalanced on a three year basis, known as a triennial review.

## **Public Finance Initiative (PFI) & Other Long Term Liabilities**

- 6.3 The council operates two PFI's and one Public Private Partnership PPP as follows:
- St Thomas More School PFI - contract for the construction, maintenance and operation of a secondary school in Willenhall.
  - Public Street Lighting PFI - contract for the replacement and maintenance of the council's lighting stock across the borough. The objective of this contract is to ensure that the borough is lit in a uniform manner complying with British and European standards.
  - Housing & Care 21 PPP – contract to provide 285 extra care units (including 70 shared ownership and 5 respite care) across the borough, a 40 bed dementia care unit at Goscote and increased day care across the borough (including weekend access to services).
- 6.4 The financial liabilities are disclosed annually in the council's Statement of Accounts and whilst PFI and PPP contracts are long term liabilities the agreements include financing and as such are netted off within the capital financing requirement.

## **7. KNOWLEDGE AND SKILLS**

- 7.1 The Capital Programme and Treasury Management & Investment Strategy are managed by teams of professionally qualified accountants, who actively undertake Continuous Professional Development (CPD) on an ongoing basis to keep abreast of new developments and develop additional skills. They also have extensive Local Government finance experience between them.
- 7.2 The council's Section 151 Officer is the officer with overall responsibility for capital and treasury activities. They too are a professionally qualified accountant undertaking an ongoing CPD programme.
- 7.3 Any commercial projects that the council seek to enter into will also be supported by teams from all required professional disciplines from across the council, and external professional advice will also be sought if needed.
- 7.4 Internal and external training is offered to members on an ongoing basis to ensure they have up to date skills to make capital and treasury decisions.
- 7.5 The Council's Treasury Management Panel meet regularly to discuss treasury management performance, development of policy and identification of potential new investment products and the detail relating to them.
- 7.6 The knowledge and skills of officers and members are commensurate with the council's risk appetite.

## Part 1 Annex 9 : Capital Programme 2023/24 to 2026/27

### A. Capital Programme 2023/24 to 2026/27 – Council Funded Schemes

#### A1 - Rolling Programme Schemes

| Directorate   | Capital Scheme   | Detail of Capital investment   | Draft carry forward from 2022/23<br>£ | 2023/24<br>£     | 2024/25<br>£     | 2025/26<br>£     | 2026/27<br>£     | Total<br>£        |
|---|--|--|---------------------------------------|------------------|------------------|------------------|------------------|-------------------|
| <b>Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b>       |  |  |                                       |                  |                  |                  |                  |                   |
| Economy, Environment & Communities  | Traffic Signals Infrastructure   | The council has a statutory duty to maintain all traffic signal infrastructure. This programme of planned pedestrian crossing replacements will ensure the safe and efficient movement of pedestrians across the borough (Traffic Management Act 2004). Also supports council's carbon reduction target delivery.  | 0                                     | 200,000          | 200,000          | 200,000          | 200,000          | 800,000           |
|   | 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.  | 0                                     | 20,000           | 20,000           | 20,000           | 20,000           | 80,000            |
|   | Highways Maintenance Programme   | As Highway Authority the council has a legal responsibility to maintain the highway network. Failure to do so would 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.  | 0                                     | 2,800,000        | 2,800,000        | 2,800,000        | 2,800,000        | 11,200,000        |
| <b>Total Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |  |  | <b>0</b>                              | <b>3,020,000</b> | <b>3,020,000</b> | <b>3,020,000</b> | <b>3,020,000</b> | <b>12,080,000</b> |
| <b>People can access support in their community to keep safe and well and remain independent at home</b>  |  |  |                                       |                  |                  |                  |                  |                   |
| Children's, Education & Customer Engagement   | Aids and Adaptations / Preventative Adaptations/ Supporting Independence | This project supports: 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. | 0                                     | 412,000          | 412,000          | 412,000          | 412,000          | 1,648,000         |

| Directorate  | Capital Scheme  | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £        | 2024/25 £        | 2025/26 £        | 2026/27 £        | Total £          |
|--|---|--|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Children's, Education & Customer Engagement  | 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.   | 0                                  | 75,000           | 75,000           | 75,000           | 75,000           | 300,000          |
| <b>Total People can access support in their community to keep safe and well and remain independent at home</b> |   |  | <b>0</b>                           | <b>487,000</b>   | <b>487,000</b>   | <b>487,000</b>   | <b>487,000</b>   | <b>1,948,000</b> |
| <b>People are supported to maintain or improve their health, wellbeing and quality of life</b>                 |   |  |                                    |                  |                  |                  |                  |                  |
| 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.  | 0                                  | 20,000           | 20,000           | 20,000           | 20,000           | 80,000           |
| 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. | 468,160                            | 1,000,000        | 1,000,000        | 1,000,000        | 1,000,000        | 4,468,160        |
| <b>Total People are supported to maintain or improve their health, wellbeing and quality of life</b>           |   |  | <b>468,160</b>                     | <b>1,020,000</b> | <b>1,020,000</b> | <b>1,020,000</b> | <b>1,020,000</b> | <b>4,548,160</b> |

| Directorate  | Capital Scheme                           | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £        | 2024/25 £        | 2025/26 £        | 2026/27 £        | Total £           |
|--|--|--|------------------------------------|------------------|------------------|------------------|------------------|-------------------|
| <b>The people of Walsall feel safe in a cleaner, greener Borough</b>       |  |  |                                    |                  |                  |                  |                  |                   |
| 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 the delivery of these local schemes it is possible to improve local quality of life and safety, creating safer communities. | 54,925                             | 120,000          | 120,000          | 120,000          | 120,000          | 534,925           |
| <b>Total The people of Walsall feel safe in a cleaner, greener Borough</b> |  |  | <b>54,925</b>                      | <b>120,000</b>   | <b>120,000</b>   | <b>120,000</b>   | <b>120,000</b>   | <b>534,925</b>    |
| <b>Total Rolling Programme Schemes</b>                                     |  |  | <b>523,085</b>                     | <b>4,647,000</b> | <b>4,647,000</b> | <b>4,647,000</b> | <b>4,647,000</b> | <b>19,111,085</b> |

#### A2 - Prior Year Approval Schemes

| Directorate   | Capital Scheme   | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £ | 2024/25 £ | 2025/26 £ | 2026/27 £ | Total £    |
|---|------------------|--|------------------------------------|-----------|-----------|-----------|-----------|------------|
| <b>Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |                  |  |                                    |           |           |           |           |            |
| Economy, Environment & Communities  | Enterprise Zones | Required for the Council to cash-flow borrowing costs associated with capital investment into the Enterprise Zone. Financial modelling forecasts that these costs are expected to be recovered from future business rates generated from within the zone, although the Black Country LEP are the decision making body in relation to where business rates within the zone are invested. Therefore, on the basis that the BCLEP approve that costs on Walsall sites can be recovered through the business rates mechanism, then the Council will only be required to cash-flow these costs. | 3,104,862                          | 387,213   | 6,897,852 | 2,435,472 | 0         | 12,825,399 |

| Directorate  | Capital Scheme   | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £ | 2024/25 £  | 2025/26 £ | 2026/27 £ | Total £    |
|--|--|--|------------------------------------|-----------|------------|-----------|-----------|------------|
| Economy, Environment & Communities                 | Future High Streets Fund   | To invest in Walsall to deliver a much-needed boost to our high street at this challenging time (External funding announced by MHCLG (now DLUHC – Department for Levelling Up, Housing & Communities) on 26 December 2020.). The additional £4.49m has been added from previously reports for the refurbishment of the Saddlers Centre including the transformation of the public realm area from the centre to the bus station with additional works to the train station concourse. This will be part of the transformative investment in Walsall Town Centre around the rail and bus stations. £4.49m increase - £3.471m in 2024/25, £1.02m in 2025/26. | 1,415,852                          | 7,517,372 | 14,657,776 | 1,020,000 | 0         | 24,611,000 |
|  | Yorks Bridge (Top Up)  | Yorks 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         | 0         | 1,500,000  |
|  | Other schemes carried forward from previous years requiring completion | Regenerating Walsall   | 223,206                            | 0         | 0          | 0         | 0         | 223,206    |
|  |  | Walsall Town Centre Public Realm Improvements  | 362,081                            | 0         | 0          | 0         | 0         | 362,081    |
|  |  | Darlaston Strategic Development Area   | 9,801                              | 0         | 0          | 0         | 0         | 9,801      |
|  |  | Allotment Boundary Improvement Works   | 170,000                            | 0         | 0          | 0         | 0         | 170,000    |
|  |  | New Homes Bonus  | 76,999                             | 0         | 0          | 0         | 0         | 76,999     |
|  |  | Hatherton Road Car Park  | 61,456                             | 0         | 0          | 0         | 0         | 61,456     |
| Hatherton Road Multi-Storey structural maintenance | 200,000  | 0  | 0                                  | 0         | 0          | 200,000   |           |            |
| Resources and Transformation                       | Towns Deal   | In 2021/22, Walsall and Bloxwich were successful in being awarded £21.3m from DLUHC for each town. Working with the Town Deal Board and partners, a project confirmation table has been submitted for each project, with an underwriting requirement from the Council of £5.48m as the Council's share of the shortfall compared to the awarded allocation.  | 0                                  | 0         | 0          | 0         | 0         | 0          |
|  | Walsall Towns Deal - council contribution.                             | 999,080  | 780,520                            | 0         | 0          | 0         | 1,779,600 |            |
|  | Bloxwich Towns Deal - council contribution.                            | 1,025,000  | 1,650,000                          | 425,000   | 600,000    | 0         | 3,700,000 |            |

| Directorate   | Capital Scheme   | Detail of Capital investment  | Draft carry forward from 2022/23 £ | 2023/24 £         | 2024/25 £         | 2025/26 £        | 2026/27 £ | Total £           |
|---|--|---|------------------------------------|-------------------|-------------------|------------------|-----------|-------------------|
| Resources and Transformation  | Other schemes carried forward from previous years requiring completion | Challenge Block   | 33,214                             | 0                 | 0                 | 0                | 0         | 33,214            |
| <b>Total Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |  |   | <b>8,431,551</b>                   | <b>11,085,105</b> | <b>21,980,628</b> | <b>4,055,472</b> | <b>0</b>  | <b>45,552,756</b> |
| <b>People can access support in their community to keep safe and well and remain independent at home</b>  |  |   |                                    |                   |                   |                  |           |                   |
| Children's, Education & Customer Engagement   | Other schemes carried forward from previous years requiring completion | Social Housing Decarbonisation  | 283,600                            | 0                 | 0                 | 0                | 0         | 283,600           |
| <b>Total People can access support in their community to keep safe and well and remain independent at home</b>  |  |   | <b>283,600</b>                     | <b>0</b>          | <b>0</b>          | <b>0</b>         | <b>0</b>  | <b>283,600</b>    |
| <b>People are supported to maintain or improve their health, wellbeing and quality of life</b>  |  |   |                                    |                   |                   |                  |           |                   |
| Economy, Environment & Communities  | Children's Play Equipment  | Installation of 6 new outdoor gyms and the improvement of 13 main play sites at a total cost of £1.644m to enhance the quality of play and fitness provision for young people and adults. This will be funded from S106 monies (£229k) and £1.07m council funded and seek to find the remaining fund externally. £580k in 2023/24 is the remaining amount out of £1.07m approved as council contribution. | 440,000                            | 580,000           | 0                 | 0                | 0         | 1,020,000         |
| <b>Total People are supported to maintain or improve their health, wellbeing &amp; quality of life</b>  |  |   | <b>440,000</b>                     | <b>580,000</b>    | <b>0</b>          | <b>0</b>         | <b>0</b>  | <b>1,020,000</b>  |
| <b>The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b>     |  |   |                                    |                   |                   |                  |           |                   |
| Resources and Transformation  | Replacement of 'tablet' technology                                     | A 'tablet replacement rollout' programme is required and it will be phased over 2024/25 and 2025/26. Allocation of £2.25m approved in 2022/23. Further allocation of £2.25m rephased from 2023/24 to 2024/25 & 2025/26  | 0                                  | 0                 | 1,125,000         | 1,125,000        | 0         | 2,250,000         |



| Directorate   | Capital Scheme   | Detail of Capital investment  | Draft carry forward from 2022/23 £ | 2023/24 £      | 2024/25 £        | 2025/26 £        | 2026/27 £      | Total £           |           |
|---|--|---|------------------------------------|----------------|------------------|------------------|----------------|-------------------|-----------|
| Resources and Transformation  | Card payments, Digital Website   | To ensure the council remains compliant and allows for citizens to pay for services online.   | 0                                  | 100,000        | 100,000          | 0                | 0              | 200,000           |           |
|   | Telephony - Cloud based system   | Transfer all of our incoming phone lines to new technology, potentially replace desk phones with headsets and implement Microsoft telephony.                                  | 326,467                            | 150,000        | 0                | 0                | 0              | 476,467           |           |
|   | Maintaining a safe and secure environment                              | Hardware & software upgrades to maintain compliance to current standards eg BACS software & banking   | 2,957,527                          | 200,000        | 0                | 0                | 0              | 3,157,527         |           |
|   | Other schemes carried forward from previous years requiring completion | Council House Internal Decoration   |                                    | 30,218         | 0                | 0                | 0              | 0                 | 30,218    |
|   |  | Civic Centre Plumbing   |                                    | 36,600         | 0                | 0                | 0              | 0                 | 36,600    |
|   |  | Council House Smoke & Heat Detection Fire Alarm   |                                    | 326,920        | 0                | 0                | 0              | 0                 | 326,920   |
|   |  | MyCMIS  |                                    | 13,796         | 0                | 0                | 0              | 0                 | 13,796    |
|   |  | Proud – ICT   |                                    | 82,992         | 0                | 0                | 0              | 0                 | 82,992    |
|   |  | Enabling Technology   |                                    | 4,790,690      | 0                | 0                | 0              | 0                 | 4,790,690 |
|   |  | Smartphones   |                                    | 274,342        | 0                | 0                | 0              | 0                 | 274,342   |
|   |  | Civic Centre Heating  |                                    | 1,096,646      | 0                | 0                | 0              | 0                 | 1,096,646 |
|   |  | Council House Windows   |                                    | 1,287,025      | 0                | 0                | 0              | 0                 | 1,287,025 |
|   |  | Council House General Heating   |                                    | 2,123,560      | 0                | 0                | 0              | 0                 | 2,123,560 |
|   | Operational Repair & Maintenance of Council Buildings                  |   | 150,944                            | 0              | 0                | 0                | 0              | 150,944           |           |
| Council House Roof Repairs  |  | 1,470,000   | 0                                  | 0              | 0                | 0                | 1,470,000      |                   |           |
| Willenhall Lane Travellers Site   |  | 9,686   | 0                                  | 0              | 0                | 0                | 9,686          |                   |           |
| Council Wide  | Other schemes carried forward from previous years requiring completion | Flexible Use of Capital Receipts  | 4,000,000                          | 0              | 0                | 0                | 0              | 4,000,000         |           |
| <b>Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b> |  |   | <b>18,977,413</b>                  | <b>450,000</b> | <b>1,225,000</b> | <b>1,125,000</b> | <b>0</b>       | <b>21,777,413</b> |           |
| <b>Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b>   |  |   |                                    |                |                  |                  |                |                   |           |
| Children's, Education & Customer Engagement   | School Condition Survey  | Ongoing provision to cover school conditions.   | 0                                  | 250,000        | 250,000          | 250,000          | 250,000        | 1,000,000         |           |
|   | 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. | 0                                  | 250,000        | 250,000          | 250,000          | 250,000        | 1,000,000         |           |
| <b>Total Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b>   |  |   | <b>0</b>                           | <b>500,000</b> | <b>500,000</b>   | <b>500,000</b>   | <b>500,000</b> | <b>2,000,000</b>  |           |

| Directorate  | Capital Scheme   | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £         | 2024/25 £         | 2025/26 £        | 2026/27 £      | Total £           |
|--|--|--|------------------------------------|-------------------|-------------------|------------------|----------------|-------------------|
| <b>Children and young people grow up in connected communities and feel safe everywhere</b>       |  |  |                                    |                   |                   |                  |                |                   |
| Children's, Education & Customer Engagement  | Other schemes carried forward from previous years requiring completion | Children in care Out of Borough Placements   | 133,203                            | 0                 | 0                 | 0                | 0              | 133,203           |
| <b>Total Children and young people grow up in connected communities and feel safe everywhere</b> |  |  | <b>133,203</b>                     | <b>0</b>          | <b>0</b>          | <b>0</b>         | <b>0</b>       | <b>133,203</b>    |
| <b>The people of Walsall feel safe in a cleaner, greener Borough</b>                             |  |  |                                    |                   |                   |                  |                |                   |
| Economy, Environment & Communities   | Waste Management Strategy  | Strategic acquisition of property to support the future delivery of the council's waste management strategies. | 0                                  | 2,069,970         | 0                 | 0                | 0              | 2,069,970         |
|  | Capitalisation of wheeled bin stock                                    | Linked to revenue savings option. Wheeled bin stock capitalisation   | 0                                  | 180,000           | 180,000           | 180,000          | 180,000        | 720,000           |
| <b>Total The people of Walsall feel safe in a cleaner, greener Borough</b>                       |  |  | <b>0</b>                           | <b>2,249,970</b>  | <b>180,000</b>    | <b>180,000</b>   | <b>180,000</b> | <b>2,789,970</b>  |
| <b>Total Prior Year Approval Schemes</b>   |  |  | <b>28,265,767</b>                  | <b>14,865,075</b> | <b>23,885,628</b> | <b>5,860,472</b> | <b>680,000</b> | <b>73,556,942</b> |

### A3 - Development Investment

| Directorate   | Capital Scheme         | Detail of Capital investment  | Draft carry forward from 2022/23 £ | 2023/24 £ | 2024/25 £  | 2025/26 £ | 2026/27 £ | Total £    |
|---|------------------------|---|------------------------------------|-----------|------------|-----------|-----------|------------|
| <b>Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |                        |   |                                    |           |            |           |           |            |
| Council Wide  | Development investment | Funding for development 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. See <b>A5 below</b> for indicative list of development schemes. | 14,823,230                         | 4,384,177 | 21,255,407 | 5,164,750 | 1,371,688 | 46,999,252 |

| Directorate   | Capital Scheme                            | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £         | 2024/25 £         | 2025/26 £        | 2026/27 £        | Total £           |
|---|---|--|------------------------------------|-------------------|-------------------|------------------|------------------|-------------------|
| Economy, Environment and Communities  | High Streets Fund - further match funding | This project was approved by Cabinet 21 April 2021 - To part match fund external/council funds to invest in Walsall to deliver a much-needed boost to our high street. Originally £3,727,171 in 2024/25 and £1,067,476 in 2025/26. Rephased to 2025/26 and 2026/27. £315,353 also rephased from 2022/23  | 0                                  | 0                 | 0                 | 4,042,524        | 1,067,476        | 5,110,000         |
|   | Willenhall Masterplan                     | Willenhall Garden City Phase 1 is part of a housing-led regeneration programme with public sector intervention in land assembly and gap funding required to support private sector delivery of new homes.  | 2,236,484                          | 6,420,927         | 0                 | 0                | 0                | 8,657,411         |
|   | Street Lighting                           | Approved contribution by Cabinet 16 June 2021 - To deliver a modern, energy efficient street lighting solution that provides the ability to finely control light output whilst significantly reducing energy consumption and contributing to the Council becoming carbon neutral by 2050.  | 3,237,260                          | 4,280,112         | 0                 | 0                | 0                | 7,517,372         |
|   | Creative Industries Enterprise Scheme     | A cultural development funding bid has been submitted to support the additional £3m required and there are other external funding options available but the business case requires approval back to Government prior to any known outcomes and council underwriting, should other external funding not be successful, is required to take this forward | 0                                  | 0                 | 2,640,000         | 500,000          | 0                | 3,140,000         |
| <b>Total Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |   |  | <b>20,296,974</b>                  | <b>15,085,216</b> | <b>23,895,407</b> | <b>9,707,274</b> | <b>2,439,164</b> | <b>71,424,035</b> |
| <b>People are supported to maintain or improve their health, wellbeing and quality of life</b>  |   |  |                                    |                   |                   |                  |                  |                   |
| Economy, Environment and Communities  | Active Public Places                      | To deliver the full project scope of public realm works, canal bridge and basin works (approved by Cabinet)  | 0                                  | 0                 | 1,000,000         | 744,000          | 0                | 1,744,000         |
| <b>Total People are supported to maintain or improve their health, wellbeing and quality of life</b>  |   |  | <b>0</b>                           | <b>0</b>          | <b>1,000,000</b>  | <b>744,000</b>   | <b>0</b>         | <b>1,744,000</b>  |

| Directorate  | Capital Scheme                                       | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £         | 2024/25 £         | 2025/26 £         | 2026/27 £        | Total £            |
|--|--|--|------------------------------------|-------------------|-------------------|-------------------|------------------|--------------------|
| <b>Children and young people grow up in connected communities and feel safe everywhere</b>       |  |  |                                    |                   |                   |                   |                  |                    |
| Children's Education & Customer Engagement   | Children in care Foster Care refurbishment programme | This funding is provided to enable foster carers and special guardians for children in care by Walsall to enlarge their homes or in some circumstances, to obtain an alternative larger home.  | 0                                  | 150,000           | 150,000           | 0                 | 0                | 300,000            |
| <b>Total Children and young people grow up in connected communities and feel safe everywhere</b> |  |  | <b>0</b>                           | <b>150,000</b>    | <b>150,000</b>    | <b>0</b>          | <b>0</b>         | <b>300,000</b>     |
| <b>The people of Walsall feel safe in a cleaner, greener Borough</b>                             |  |  |                                    |                   |                   |                   |                  |                    |
| Economy, Environment and Communities   | Regional Materials Recycling Facility                | Contribution towards the scheme approved by Cabinet on 4 September 2019 - Joint Working Arrangement with 5 partner councils in order to facilitate the delivery stage of a local authority owned Materials Recycling Facility. Approved contribution by Cabinet 17 March 2021. | 121,199                            | 929,054           | 0                 | 0                 | 0                | 1,050,253          |
|  | HWRC station - Middlemore Lane                       | This is additional budget required to cover the uncontrollable inflationary / construction pressures on the existing project. To provide a new Waste Transfer Station (WTS) and large Household Waste Recycling Centre (HWRC) at Middlemore Lane in Aldridge.                  | 9,704,303                          | 7,599,919         | 9,775,472         | 0                 | 0                | 27,079,694         |
| <b>Total The people of Walsall feel safe in a cleaner, greener Borough</b>                       |  |  | <b>9,825,502</b>                   | <b>8,528,973</b>  | <b>9,775,472</b>  | <b>0</b>          | <b>0</b>         | <b>28,129,947</b>  |
| <b>Total Development Investment</b>  |  |  | <b>30,122,476</b>                  | <b>23,764,189</b> | <b>34,820,879</b> | <b>10,451,274</b> | <b>2,439,164</b> | <b>101,597,982</b> |

#### A4 - New Capital Schemes

| Directorate   | Capital Scheme   | Detail of Capital investment  | Draft carry forward from 2022/23<br>£ | 2023/24<br>£     | 2024/25<br>£   | 2025/26<br>£   | 2026/27<br>£   | Total<br>£       |
|---|--|---|---------------------------------------|------------------|----------------|----------------|----------------|------------------|
| <b>Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b>       |  |   |                                       |                  |                |                |                |                  |
| <b>Economy, Environment and Communities</b>   | Development Team capitalisation of posts                                   | The Development Team structure is currently a Team Leader and 4 officers. Capitalising posts will enable further capacity to be introduced to the team to support delivery of the pipeline.   | 0                                     | 327,649          | 327,649        | 327,649        | 327,649        | 1,310,596        |
| <b>Resources and Transformation</b>   | Saddlers Project - Car Park/New toilets to support Connected Gateways      | Car Park Surfacing works, Electric Vehicle charging, Changing Places and toilets plus further capital works to units during/post connected gateway scheme.  | 0                                     | 800,000          | 350,000        | 150,000        | 150,000        | 1,450,000        |
|   | Bosty Lane Farm  | Remediation works at Bosty Lane Farm to allow disposal.   | 0                                     | 300,000          | 0              | 0              | 0              | 300,000          |
|   | Pilot Changing Places/Public Toilets                                       | Bloxwich and Willenhall groundworks at £125k each.  | 0                                     | 250,000          | 0              | 0              | 0              | 250,000          |
| <b>Total Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |  |   | <b>0</b>                              | <b>1,677,649</b> | <b>677,649</b> | <b>477,649</b> | <b>477,649</b> | <b>3,310,596</b> |
| <b>The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b>     |  |   |                                       |                  |                |                |                |                  |
| <b>Resources and Transformation</b>   | Proud card payments, digital website etc) Corporate Card Payments Platform | Need additional funding: This project set out to replace the 20+ year old "middleware system (LGOL)" and to provide a corporate payments platform easily accessible to our residents and staff. There has been a reliance on 3rd party specialists throughout this implementation and this will continue until the end of the project with knowledge transfer taking place. | 0                                     | 800,000          | 0              | 0              | 0              | 800,000          |
|   | Enabling support Services/OneSource System                                 | Completion of Enabling Support Services Portal and integrated data source. Further investment into OneSource to maximise use of the system and integrate further with other council systems.  | 0                                     | 1,250,000        | 0              | 0              | 0              | 1,250,000        |
|   | Konica multi-functional device re-tender                                   | Konica multi-functional device contract expires 23/24; options to extend the contract. A full tender will be required during 2025/26 and devices will need to be replaced 2026/27. Resource will be required to manage the device replacement programme.  | 0                                     | 50,000           | 0              | 0              | 50,000         | 100,000          |

| Directorate                  | Capital Scheme  | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £ | 2024/25 £ | 2025/26 £ | 2026/27 £ | Total £   |
|------------------------------|---|--|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Resources and Transformation | Archiving of Systems moving to Customer Access Management being retired | Provision for archiving either systems or data within systems as and when they are retired where third party solutions are required.   | 0                                  | 100,000   | 100,000   | 100,000   | 100,000   | 400,000   |
|                              | Enabling Technology   | Data changes, contract or agreements and assessment requirements.  | 0                                  | 25,000    | 0         | 0         | 0         | 25,000    |
|                              | Capitalisation of Capital Finance Team                                  | Capitalisation of the team to enhance capital planning, financing & strengthen programme delivery  | 0                                  | 261,000   | 261,000   | 261,000   | 261,000   | 1,044,000 |
|                              | Refurbishment Investment in Civic/Council House                         | Costs to refurbish and re-furniture the Civic/Council House site to deliver the newly agreed floor layouts and improved collaboration and training areas to meet corporate and service needs regarding hybrid working and presence with a purpose to achieve required changes across the site. | 0                                  | 750,000   | 0         | 0         | 0         | 750,000   |
|                              | Digital and Technology Service (DaTS) Staffing Capitalisation           | DaTS will grow the internal team and knowledge to deliver capital projects which will reduce external consultants moving forward.  | 0                                  | 668,875   | 654,854   | 654,854   | 0         | 1,978,583 |
|                              | Replacement of 'tablet' technology                                      | A 'tablet rollout' programme will be completed in 2025/26 enabling agile working and the adoption of Office 365. Replacement required starting in 2026.  | 0                                  | 0         | 0         | 0         | 900,000   | 900,000   |
|                              | Android Replacement programme   | These devices will need to be replaced every 2-3 years as the versions of android become unsupported (an android replacement carried out in 2022/23).  | 0                                  | 0         | 200,000   | 0         | 0         | 200,000   |
|                              | Data Back-up/Security replacement & Cloud Data back up                  | The current on-premise tape back-up solution will be end of life in 2024/25 - a replacement solution will be required to ensure that data is secured in line with the council's retention policy and to also ensure that it can be recovered should there be a disaster.                       | 0                                  | 0         | 0         | 450,000   | 0         | 450,000   |
|                              | WiFi Access Points and Licences   | WiFi access points and associated licences have a 4 year lifespan in which they are compliant with PSN standards. In order to retain the council's PSN certification the Access Points and Licences will need to be replaced on a 3-4 yearly basis.  | 0                                  | 0         | 0         | 80,000    | 0         | 80,000    |

| Directorate   | Capital Scheme                        | Detail of Capital investment  | Draft carry forward from 2022/23 £ | 2023/24 £         | 2024/25 £         | 2025/26 £         | 2026/27 £         | Total £            |
|---|---------------------------------------|---|------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Resources and Transformation  | Chip & Pin Devices                    | Chip & Pin Devices and associated licences have a 4 year life span in which they are compliant with PCI standards. In order to retain the council's PCI Compliance, the Chip & Pin Devices and Licences will need to be replaced on a 3-4 yearly basis. | 0                                  | 0                 | 0                 | 30,000            | 0                 | 30,000             |
| Central   | Minor capital schemes <£100k          | To fund minor capital schemes.  | 0                                  | 500,000           | 500,000           | 500,000           | 500,000           | 2,000,000          |
| <b>Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b> |                                       |   | <b>0</b>                           | <b>4,404,875</b>  | <b>1,715,854</b>  | <b>2,075,854</b>  | <b>1,811,000</b>  | <b>10,007,583</b>  |
| <b>Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b>   |                                       |   |                                    |                   |                   |                   |                   |                    |
| Children, Education & Customer Engagement   | Free School                           | Funding towards providing a free school in the borough.   | 0                                  | 1,000,000         | 0                 | 0                 | 0                 | 1,000,000          |
| <b>Total Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b>   |                                       |   | <b>0</b>                           | <b>1,000,000</b>  | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>1,000,000</b>   |
| <b>Our communities will be more resilient and supportive of each other</b>  |                                       |   |                                    |                   |                   |                   |                   |                    |
| Economy, Environment and Communities  | Expansion of Park Hall                | Resilient Communities capital schemes including potential expansion of new facility at Park Hall CA by creating another linked classroom on site and modular build at Alumwell.   | 0                                  | 580,000           | 0                 | 0                 | 0                 | 580,000            |
| <b>Total Our communities will be more resilient and supportive of each other</b>  |                                       |   | <b>0</b>                           | <b>580,000</b>    | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>580,000</b>     |
| <b>The people of Walsall feel safe in a cleaner, greener Borough</b>  |                                       |   |                                    |                   |                   |                   |                   |                    |
| Economy, Environment and Communities  | Regional Materials Recycling Facility | Joint Working Arrangement with 8 partner councils in order to facilitate the delivery stage of a local authority owned Materials Recycling Facility. Approved contribution by Cabinet 17 March 2021.  | 0                                  | 600,000           | 0                 | 0                 | 0                 | 600,000            |
| <b>Total The people of Walsall feel safe in a cleaner, greener Borough</b>  |                                       |   | <b>0</b>                           | <b>600,000</b>    | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>600,000</b>     |
| <b>Total New Capital Schemes</b>  |                                       |   | <b>0</b>                           | <b>8,262,524</b>  | <b>2,393,503</b>  | <b>2,553,503</b>  | <b>2,288,649</b>  | <b>15,498,179</b>  |
| <b>Total Draft Capital Programme – Council Funded Schemes</b>   |                                       |   | <b>58,911,328</b>                  | <b>51,538,788</b> | <b>65,747,010</b> | <b>23,512,249</b> | <b>10,054,813</b> | <b>209,764,188</b> |

## **A5 - Development Schemes – subject to business case approval.**

### **Children's, Education & Customer Engagement**

- **High Needs Capital Provision SEND (Special Education Needs) Places** - Funding to support the current Special Education Needs within the Borough, where the grant received falls short of the places needed.
- **Temporary Accommodation** - Significant Capital investment into current temporary accommodation blocks or acquisition budget to purchase relevant properties across the borough if available to support a dispersed accommodation strategy and improve outcomes.

### **Economy, Environment and Communities**

- **Electric Vehicle charging points installation** - Installation of 844 charging points across Walsall's council owned assets to retain and operate to generate future income stream in conjunction with the removal of new petrol and diesel cars being sold by 2030.
- **Moat Street/Villiers Street** - Phase 1 of the Willenhall Framework Plan comprising the delivery of 111 new homes.
- **Willenhall Framework Plan future phases** - identifies three potential further phases where council intervention may be required to support delivery of new housing given ownership and viability issues.
- **Gasholders** - This council owned site is located in the Black Country Enterprise Zone and forms a key part of Walsall's employment land supply. Work is being undertaken to provide an up to date site appraisal but previous work has indicated a viability gap.
- **Anson Road** - The site is owned by Severn Trent and is not a priority for delivery due to viability and delivery issues. Severn Trent have indicated they are willing to consider disposal. The site forms a key part of Walsall's employment land supply and funding would support acquisition and delivery costs.
- **Walsall Gateway** - The sites are in multiple private ownerships and has been identified as an opportunity to bring forward new residential development in a sustainable location. A Strategic Delivery Plan is due to be prepared to inform future stages which are likely to focus on land acquisition, addressing abnormal costs and procuring a developer.
- **Challenge Block** - A new medical centre is currently being delivered on part of the Challenge Block site and work has commenced to identify the most suitable use for the balance. The council has a significant landholding but funding will be required to undertake land assembly to enable a comprehensive approach to future development.
- **Saddlers Quay** - Public sector intervention likely to be required to bring forward the site for development and address the ongoing issues. "Total Homes" to build 222 flats. Council to balance the viability gap.
- **Station Street Town Centre Living** - The site is in multiple private ownerships and has been identified as an opportunity to bring forward new residential development in a sustainable location. Due diligence work has been undertaken and a proposed delivery approach identified focused on land acquisition, addressing abnormal costs and procuring a developer.
- **Additional cameras** - Additional coverage for crime and anti-social behaviour.
- **Development of Oak Park office space** - To create additional functional fitness spaces to expand classes and generate extra income.



- **North Walsall Cemetery-concrete rafts** - Block installation of concrete foundation rafts at North Walsall Cemetery.
- **Pro-active repair and maintenance of roads and pathways at all cemeteries** - The council has an obligation to minimise health and safety risks for all staff and cemetery users. In addition to that, it is legally required to keep the cemeteries in good condition.
- **New Art Gallery** - Refurbishment works including LED (light emitting diode) and audio recording equipment, solar panel installation, digital infrastructure, footfall monitoring, heating and ventilation works, toilet and library refurbishment in support of external funding.
- **Household Waste Recycling Centre (HWRC)** - Fryers Road - to provide a new Household Waste Recycling Centre at Fryers Road.
- **In house operation of HWRC's** - The operating model for HWRCs is being reviewed in parallel with the construction of the new Middlemore Lane site. There may be revenue savings from bringing this contract in house. The council would need to purchase equipment for the site.
- **York Bridge** - review of scheme being undertaken and potential requirements to deliver the scheme.
- **Traffic Signals Infrastructure** - additional funding to replace obsolete traffic signals infrastructure. Existing rolling budget of £200k.
- **Highways Maintenance** - additional request on top of rolling budget due to current inflationary pressures and increased labour and material costs - the existing rolling budget is for Highway maintenance as the council has a legal responsibility to maintain the highway network.
- **Nottingham Drive Car Park** - Car park improvements on land being purchased by WMBC. Planning permission is in place but construction must commence by January 2023.
- **Brown Jug Compulsory Purchase Order (CPO)** - This is a derelict site, with the potential to CPO to facilitate housing (c up to 10-15 units maximum). There is currently no scheme currently to quantify, hence only the land CPO costs have been included plus legal/tax and contingency.

#### **Resources and Transformation**

- **Remediation works at the Gasholders site on Darlaston Road to allow disposal**
- **Continuation of Enabling Technology** - established to provide a core technology platform which would support the council's transformation.
- **Transforming Social Care System** - Adults and Children's use a number of social care systems which are currently hosted in the council's on-premise data centre. Should the data centre fail, these critical systems will not be accessible.

## B: Capital Programme 2023/24 to 2026/27 – Externally Funded Schemes

| Directorate   | Capital Scheme                     | Detail of Capital investment   | Draft carry forward from 2022/23<br>£ | 2023/24<br>£ | 2024/25<br>£ | 2025/26<br>£ | 2026/27<br>£ | Total<br>£ |
|---|------------------------------------|--|---------------------------------------|--------------|--------------|--------------|--------------|------------|
| <b>Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |                                    |  |                                       |              |              |              |              |            |
| <b>Economy, Environment &amp; Communities</b>   | 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 Department for Levelling Up, Housing & Communities - DLUHC) on 26 December 2020.   | 2,204,012                             | 4,783,964    | 0            | 0            | 0            | 6,987,976  |
|   | 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 the Department for Transport via the ITA with the condition that it should be spent on the classified road network. Includes allocation for potholes and bridge strengthening.  | 0                                     | 3,568,700    | 3,568,700    | 3,568,700    | 3,568,700    | 14,274,800 |
|   | Integrated Transport Block Funding | 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). | 1,031,079                             | 1,563,100    | 1,563,100    | 1,563,100    | 1,563,100    | 7,283,479  |

| Directorate   | Capital Scheme   | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £         | 2024/25 £         | 2025/26 £         | 2026/27 £        | Total £            |
|---|--|--|------------------------------------|-------------------|-------------------|-------------------|------------------|--------------------|
| Economy, Environment & Communities  | Levelling Up Fund  | £20 million announced on 19 January 2022 by the Department of Levelling Up, Housing and Communities, to kickstart the delivery of over 500 new homes connecting local people in Willenhall to jobs, parks and new rail station.  | 0                                  | 2,765,534         | 17,234,466        | 0                 | 0                | 20,000,000         |
|   | Other schemes carried forward from previous years requiring completion | M6 Junction 10 Highway Improvements  | 939,955                            | 0                 | 0                 | 0                 | 0                | 939,955            |
|   |  | Local Transport Plan - Yorks Bridge  | 131,000                            | 0                 | 0                 | 0                 | 0                | 131,000            |
|   |  | Barr Beacon Security & Infrastructure works  | 61,000                             | 0                 | 0                 | 0                 | 0                | 61,000             |
|   |  | Electric Vehicle Charging Point Installation   | 254,040                            | 0                 | 0                 | 0                 | 0                | 254,040            |
|   |  | Limescale Surveys  | 117,429                            | 0                 | 0                 | 0                 | 0                | 117,429            |
| Resources and Transformation  | Towns Deal   | In 2021/22, Walsall and Bloxwich were successful in being awarded £21.3m from DLUHC for each town. A grant offer has been received, which has been accepted by the signing of a Heads of Terms. Working with the Town Deal Board and Partners, a Project Confirmation Table has been submitted for each project, with an underwriting requirement from the Council of £5.48m as the Council's share of the shortfall compared to the awarded allocation. This is subject to formal completion of a full business case for all of the projects. |                                    |                   |                   |                   |                  |                    |
|   |  | Walsall Towns Deal - Council contribution.   | 3,439,487                          | 3,020,316         | 6,129,952         | 2,463,731         | 0                | 15,053,486         |
|   |  | Bloxwich Towns Deal – Council contribution.  | 169,858                            | 6,356,604         | 8,662,988         | 4,929,408         | 0                | 20,118,858         |
|   | Changing Places Toilets (CPT)  | S31 Funding from DLUHC to invest in Council owned or facilities owned by others. CPTs are disabled toilet facilities for those with complex needs including a hoist.   | 0                                  | 171,650           | 0                 | 0                 | 0                | 171,650            |
|   | Other schemes carried forward from previous years requiring completion | Land & Property Investment Fund  | 22,185,170                         | 0                 | 0                 | 0                 | 0                | 22,185,170         |
|   |  | Growing Places Fund  | 1,383,851                          | 0                 | 0                 | 0                 | 0                | 1,383,851          |
| <b>Total Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</b> |  |  | <b>31,916,881</b>                  | <b>22,229,868</b> | <b>37,159,206</b> | <b>12,524,939</b> | <b>5,131,800</b> | <b>108,962,694</b> |

| Directorate   | Capital Scheme   | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £        | 2024/25 £        | 2025/26 £        | 2026/27 £        | Total £           |
|---|--|--|------------------------------------|------------------|------------------|------------------|------------------|-------------------|
| <b>People can access support in their community to keep safe and well and remain independent at home</b>  |  |  |                                    |                  |                  |                  |                  |                   |
| <b>Children's, Education &amp; Customer Engagement</b>  | Disabled Facilities Grant  | This project directly supports the council's statutory requirement to provide disabled facility grants (DFGs). 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.   | 0                                  | 3,314,771        | 3,314,771        | 3,314,771        | 3,314,771        | 13,259,084        |
|   | 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). | 0                                  | 888,000          | 888,000          | 888,000          | 888,000          | 3,552,000         |
|   | Other schemes carried forward from previous years requiring completion | Purchase of Dispersed Temporary Accommodation  | 1,383,915                          | 0                | 0                | 0                | 0                | 1,383,915         |
|   |  | Off Gas Scheme   | 74,025                             | 0                | 0                | 0                | 0                | 74,025            |
| Social Housing Decarbonisation  |  | 607,200  | 0                                  | 0                | 0                | 0                | 607,200          |                   |
| <b>Total People can access support in their community to keep safe and well and remain independent at home</b>  |  |  | <b>2,065,140</b>                   | <b>4,202,771</b> | <b>4,202,771</b> | <b>4,202,771</b> | <b>4,202,771</b> | <b>18,876,224</b> |
| <b>The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b>       |  |  |                                    |                  |                  |                  |                  |                   |
| <b>Resources and Transformation</b>   | Low Carbon Heating Project - Civic Centre / Town Hall / Council House  | Low Carbon Heating Project funding (from BEIS - The Department for Business, Energy and Industrial Strategy via Public Sector Decarbonisation Scheme - Phase 3b) for Civic Centre/Town Hall/Council House for £3.6m for installation of the Air Source Heat pump and Solar PV  | 0                                  | 2,339,062        | 1,332,688        | 0                | 0                | 3,671,750         |
| <b>Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring</b> |  |  | <b>0</b>                           | <b>2,339,062</b> | <b>1,332,688</b> | <b>0</b>         | <b>0</b>         | <b>3,671,750</b>  |

| Directorate   | Capital Scheme   | Detail of Capital investment  | Draft carry forward from 2022/23 £ | 2023/24 £         | 2024/25 £        | 2025/26 £        | 2026/27 £        | Total £           |
|---|--|---|------------------------------------|-------------------|------------------|------------------|------------------|-------------------|
| <b>Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b>       |  |   |                                    |                   |                  |                  |                  |                   |
| <b>Children's, Education &amp; Customer Engagement</b>  | Basic Need   | Paid to Local Authorities to support the capital requirement for providing new pupil places by expanding existing maintained schools, free schools or academies & establishing new schools (Department for Education-DfE).  | 20,003,628                         | 10,748,251        | 0                | 0                | 0                | 30,751,879        |
|   | Devolved Formula Capital   | Received by the Local authority 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).   | 0                                  | 510,228           | 510,228          | 510,228          | 510,228          | 2,040,912         |
|   | Capital Maintenance  | Allocated to the Local Authority 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). | 2,132,238                          | 3,888,380         | 3,888,380        | 3,888,380        | 3,888,380        | 17,685,758        |
|   | High Needs Provisional Capital allocation                              | High Needs Provisional Capital Allocation (HNPCA) funding is paid to Local authorities to support the capital requirement for providing new SEND (Special Educational Needs and Disabilities) pupil places by expanding/improving existing maintained schools, free schools or academies. Confirmed Allocation for 2023/24.   | 5,734,060                          | 4,365,293         | 4,365,293        | 4,365,293        | 4,365,293        | 23,195,232        |
|   | Other schemes carried forward from previous years requiring completion | Academies   | 296,130                            | 0                 | 0                | 0                | 0                | 296,130           |
| <b>Total Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential</b> |  |   | <b>28,166,056</b>                  | <b>19,512,152</b> | <b>8,763,901</b> | <b>8,763,901</b> | <b>8,763,901</b> | <b>73,969,911</b> |

| Directorate  | Capital Scheme                            | Detail of Capital investment   | Draft carry forward from 2022/23 £ | 2023/24 £         | 2024/25 £         | 2025/26 £         | 2026/27 £         | Total £            |
|--|---|--|------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| <b>Children and young people grow up in connected communities and feel safe everywhere</b>       |   |  |                                    |                   |                   |                   |                   |                    |
| Children, Education & Customer Engagement  | Family hubs and Start for Life programme, | To support the implementation of the Family Hub and Start For Life Programme which is aimed at providing families with the integrated support they need to care for their children from conception, throughout early years and into the start of adulthood. The capital element of the grant will be used to purchase / improve current data records management systems linked to documenting outcomes of the programme initially and then may be required to purchase equipment needed to support the programme ongoing. Funding from Department for Education and Department of Health and Social Care | 0                                  | 76,850            | 64,250            | 0                 | 0                 | 141,100            |
| <b>Total Children and young people grow up in connected communities and feel safe everywhere</b> |   |  | <b>0</b>                           | <b>76,850</b>     | <b>64,250</b>     | <b>0</b>          | <b>0</b>          | <b>141,100</b>     |
| <b>The people of Walsall feel safe in a cleaner, greener Borough</b>                             |   |  |                                    |                   |                   |                   |                   |                    |
| Economy, Environment & Communities   | Walsall Urban Tree Challenge Fund         | Working in partnership with Trees for Cities - a joint application was made to the Forestry Commission. The project will plant 360 extra heavy standard trees in wide verges or small open spaces. The grant covers 50% of the cost of tree purchase and 50% of maintenance costs.   | 0                                  | 46,437            | 15,734            | 0                 | 0                 | 62,171             |
| <b>Total The people of Walsall feel safe in a cleaner, greener Borough</b>                       |   |  | <b>0</b>                           | <b>46,437</b>     | <b>15,734</b>     | <b>0</b>          | <b>0</b>          | <b>62,171</b>      |
| <b>Total Draft Externally Funded Capital Programme</b>   |   |  | <b>62,148,077</b>                  | <b>48,407,140</b> | <b>51,538,550</b> | <b>25,491,611</b> | <b>18,098,472</b> | <b>205,683,850</b> |

| Summary Capital Programme            | Draft carry forward from 2022/23<br>£ | 2023/24<br>£      | 2024/25<br>£       | 2025/26<br>£      | 2026/27<br>£      | Total<br>£         |
|--------------------------------------|---------------------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| Council Funded Schemes               | 58,911,328                            | 51,538,788        | 65,747,010         | 23,512,249        | 10,054,813        | 209,764,188        |
| External Funded Schemes              | 62,148,077                            | 48,407,140        | 51,538,550         | 25,491,611        | 18,098,472        | 205,683,850        |
| <b>Total Draft Capital Programme</b> | <b>121,059,405</b>                    | <b>99,945,928</b> | <b>117,285,560</b> | <b>49,003,860</b> | <b>28,153,285</b> | <b>415,448,038</b> |

### Capital Investment Summary by Directorate

| Directorate                                  | Draft carry forward from 2022/23<br>£ | 2023/24<br>£      | 2024/25<br>£       | 2025/26<br>£      | 2026/27<br>£      | Total<br>£         |
|--|---------------------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| Adult Social Care, Public Health and Hub     | 0                                     | 0                 | 0                  | 0                 | 0                 | 0                  |
| Children's Services and Customer Engagement: |                                       |                   |                    |                   |                   |                    |
| - Children's Services                        | 28,582,859                            | 21,239,002        | 9,478,151          | 9,263,901         | 9,263,901         | 77,827,814         |
| - Customer Engagement                        | 2,065,140                             | 4,689,771         | 4,689,771          | 4,689,771         | 4,689,771         | 20,824,224         |
| Economy, Environment and Communities         | 26,906,943                            | 48,109,951        | 61,020,749         | 17,541,445        | 9,866,925         | 163,446,013        |
| Resources and Transformation                 | 44,213,073                            | 20,023,027        | 19,341,482         | 10,843,993        | 1,461,000         | 95,882,575         |
| Central / Capital Financing                  | 19,291,390                            | 5,884,177         | 22,755,407         | 6,664,750         | 2,871,688         | 57,467,412         |
| <b>Total</b>                                 | <b>121,059,405</b>                    | <b>99,945,928</b> | <b>117,285,560</b> | <b>49,003,860</b> | <b>28,153,285</b> | <b>415,448,038</b> |

## **Part 1 Annex 10 – Flexible Use of Capital Receipts Strategy**

The 2015 Autumn Statement announced a new flexibility for local authorities to use new capital receipts to fund expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or demand for services in future years. The flexibility was initially made available until March 2019, and then extended for a further 3 years to March 2022.

Following that, in February 2021 as part of the local government settlement for 2021/22 the Secretary of State announced a further extension of these flexibilities for the for 3 years from 2022/23 – covering the period up to March 2025.

Councils can only use sale proceeds realised over that period (1 April 2016 to 31 March 2025), and not existing receipts. Local authorities are required to publish their plans for the flexible use of capital receipts in a Strategy which must be approved by Full Council.

The Strategy should be approved before the beginning of each financial year. If changes are proposed to the Strategy during the course of the financial year, for example if a project is identified which can be funded using this flexibility, then the revised Strategy will require the approval of Full Council. Any revisions to the Strategy in-year must also be reported to the Ministry of Housing, Communities and Local Government.

Update to guidance in August 2022 stated that for the 2022-23 Strategy and in each future year, the Strategy should contain details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial analysis.

### **Qualifying Expenditure**

Qualifying expenditure is that which is forecast to generate on-going savings to an authority's, or several authorities, and/or to another public sector body's net service expenditure, or to transform service delivery.

Capital receipts can be applied to fund set up and implementation costs but not on-going revenue costs. Examples include:

- Funding the cost of service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation
- Digital investment
- Improving systems to tackle fraud and corruption
- Setting up commercial or alternative delivery models
- Investment in service reform – setting up pilot schemes
- Sharing back-office and administrative functions with other councils/public sector bodies
- Integrating public facing services across two or more public sector bodies

As per the updated guidance of August 2022, this list is not meant to be prescriptive or exhaustive. Individual authorities who have projects that will generate ongoing savings that are not included in the list provided in the Guidance can apply the flexibility to fund those projects.



## **Summary of planned receipts**

Capital receipts performance across the qualifying period has been reviewed. This has confirmed that up to £4m of Capital receipts which have been realised during this period have not yet been utilised within the capital programme undertaken over that time and are therefore currently available, without any increase to existing assumptions regarding borrowing required to support the capital programme.

## **Summary of Planned Use**

From 2020/21 onwards the council set out a new approach by which the overall financial savings requirement is expected to be delivered via Proud work stream activity. Walsall Proud (WP) is an extensive and ambitious change agenda with initiatives designed to modernise the way the council works, deliver improved services to customers whilst delivering financial savings through efficiencies. As such the full savings approved of £18.86m for 2022/23 and £15.71m for 2023/24 will align to Proud work streams and be delivered as part of the transformational activity of the council.

A number of these transformation savings have associated one off costs to enable delivery, and therefore is qualifying expenditure appropriate to the 'Flexible Use of Capital Receipts' (FUOCR) funding that is available to support them.

No use was made of the FUOCR funding during 2021/22.

## **Approved Projects 2022/23**

The 2022/23 FUOCR Strategy detailed that the full £4m of FUOCR was planned to be utilised in 2022/23. The table below details the approved projects and current forecast usage of FUOCR against these original plans. Figures shown are forecasts and as such are subject to change at financial year end 2022/23. Should the qualifying expenditure exceed the current forecast of £2.83m, the value of proposed spend on projects in 2023/24 will reduce in line with this. Likewise, should the final 2022/23 use of FUOCR reduce, the value of proposed expenditure in 2023/24 will increase. Should this change require extension beyond the currently proposed projects, an updated FUOCR Strategy will be reported at the earliest opportunity. Use of FUOCR over the period 2022/23 and 2023/24 will not exceed the £4m available overall.

| <b>Proposed Area</b>   | <b>Project Area / Work Stream</b>                         | <b>Planned Expenditure 2022/23 (£m)</b> | <b>Forecast Expenditure 2022/23 (£m)</b> |
|--|---|---|--|
| Walsall Proud Transformation and Change and Project Management Support   | CAM / All Proud Workstreams                               | 0.87                                    | 0.30                                     |
| One-Off Proud Workstream Investment to Deliver Proud Savings – See below   | Older People and Front Door projects in Adult Social Care | 0.11                                    | 0  |
|  | Adult Social Care – see below                             | 1.25                                    | 1.25                                     |
| Service restructuring and rationalisation (interim support to create additional capacity, redundancy, pension strain, etc) costs associated with organisation redesigns to deliver the changes in Proud ways of work | All Proud workstream projects                             | 1.77                                    | 1.28                                     |
| <b>Total</b>   |   | <b>4.00</b>                             | <b>2.83</b>                              |

#### Additional Transformation and Change and Project Management Support

The current Forecast shows planned expenditure of £0.30m compared to planned expenditure of £0.87m. The £0.57m forecast underspend in this area has largely been a result of delays in recruiting to fixed term posts to support Proud work stream delivery. Although this has reduced the availability of business change support across Council services, resources have been allocated to priority areas to support delivery of savings.

£18.20m of the £18.86m of budgeted 2022/23 Proud savings and carried forward 2021/22 unachieved savings of £5.36m (total £24.22m) are forecast for delivery in 2022/23. Of the remaining £6.02m of at risk savings, £3.68m are expected to be carried forward for monitoring in 2023/24 with the remaining £2.34m expected to be delivered as full year effects in 2023/24.

#### One-Off Proud Workstream Investment to Deliver Proud Savings

£0.11m of expenditure was forecast to support single handed care training in 2022/23. Due to a changed focus in the delivery of savings related to the Older People and Front Door projects in Adult Social Care no expenditure has been incurred in this area.

£1.25m of one off expenditure is forecast to be utilised to support delivery of 2022/23 budgeted savings related to Strength Based Practice and Outcome Based Commissioning of £8.17m savings with a further £2.96m carried forward for delivery from 2021/22 (total £11.13m). Of this £11.13m, £8.09m is forecast to be achieved in 2022/23, with the remainder to be delivered in full in 2023/24.

#### Service restructuring and rationalisation

As set out in the updated direction, discretionary redundancy payments cannot be included as qualifying expenditure and must not be capitalised under the direction. An authority may capitalise redundancy payments that are necessarily incurred and limited to the amounts

available as statutory redundancy payments. This restriction does not apply to other severance costs, including pension strain costs; the treatment of these costs remains unchanged from the previous direction.

As such, the current full year forecast is expenditure of £1.28m against the previously planned figure of £1.77m. This variance is the result of the difficulty in accurately forecasting redundancy and severance costs in advance of the completion of service restructures and redesigns, as well as the delay in a number of restructures which will now be completed in 2023/24.

The forecast £1.28m of expenditure in this area is helping to deliver ongoing revenue savings of £1.45m, £1.00m of which is forecast to be delivered in 2022/23, with a further £0.45m forecast to be delivered as a full year effect in 2023/24. One of the redundancies included forms part of plans for delivery of a larger 2023/24 budgeted saving of £4.47m.

#### Proposed Projects 2023/24

The Council proposes to utilise the remaining FUOCR not committed in 2022/23 in the 2023/24 financial year. Based on the current forecast given above this will total £1.17m but may change dependant on expenditure at year-end. A list of projects that plan to make use of the capital receipts flexibility is set out in the following table by area, with a narrative for each below detailing the associated savings. These are currently forecasts and as such, actual drawdown of FUOCR funds may differ between proposed areas, but will not exceed the £4m available over 2022/23 and 2023/24.

| <b>Proposed Area</b>   | <b>Project Area / Work Stream</b> | <b>Qualifying Expenditure 2023/24 (£m)</b> |
|--|-----------------------------------|--|
| Walsall Proud Transformation and Change and Project Management Support   | CAM / All Proud Workstreams       | 0.50                                       |
| One-Off Proud Workstream Investment to Deliver Proud Savings – See below   | Adult Social Care – see below     | 0.36                                       |
| Service restructuring and rationalisation (interim support to create additional capacity, redundancy, pension strain, etc) costs associated with organisation redesigns to deliver the changes in Proud ways of work | All Proud workstream projects     | 0.31                                       |
| <b>Total</b>   |                                   | <b>1.17</b>                                |

#### Additional Transformation and Change and Project Management Support

The majority of this additional resource is to support the Customer Access & Management (CAM) work stream. This work stream addresses the mechanisms available to us to manage a single view of the customer, improve their experience and introduce efficiencies in our ways of interacting with them. £4.47m of 2023/24 savings to be delivered are aligned to this work stream.

The remainder of the resource will provide support across multiple Proud work streams and as such support in the delivery of the overall 2023/24 saving of £15.71m.

## One-Off Proud Workstream Investment to Deliver Proud Savings

The below table details one off investment required to directly support the delivery of specific budgeted Proud savings.

- Savings related to Strength Based Practice and Outcome Based Commissioning will support delivery of the ASC 2022/23 saving carried forward for delivery in 2023/24. This is currently forecast at c£2.72m.

| Project   | Saving Area   | Qualifying Expenditure 2023/24 £m |
|---|---|-----------------------------------|
| <p>Strength Based Practice and Outcome Based Commissioning:</p> <p><i>People and Practice Project:</i> Development of Strength Based Practice and People Development, <i>Operations Project:</i> Case File Reviews, <i>Technology Project:</i> Community technology opportunities, Commissioning (care cubed and contract management system), Programme Governance Project: Development of the Target Operating Mode and Management support</p> | <p>OP83/92/109 - Efficiencies attributed to implementation of All Age Disability approach and development of a new Target Operating Model;</p> <p>OP84 - Staffing impact following the implementation of Bettercare Finance System;</p> <p>OP89 - Reduction in new clients achieved through strength based working practices and development of resilient communities' framework;</p> <p>OP90 - Efficiencies attributed to the review of existing Older People, Learning Disability and Mental Health clients through strength based practice and development of new Target Operating Model;</p> <p>OP91 - Efficiencies attributed to the review of day care provision through strength based practice and development of new Target Operating Model;</p> <p>OP94 - Review of funding streams to support demand management;</p> <p>OP97 - Review of Resources including Goscote Centre and development of new Target Operating Model;</p> <p>OP113 part - Efficiencies attributed to the implementation of Bettercare Finance System.</p> | 0.36                              |

## Service restructuring and rationalisation

Of the £15.71m of savings proposed for 2023/24, approximately £6.74m align to staffing related work streams. Service restructuring and rationalisation costs will include costs of interim support to provide redesign capacity and capability, redundancy and pension costs, the latter of which will fluctuate dependant on the nature of the change, staffing situation within the service and pay and length of service. A 2023/24 forecast of c£0.31m is therefore

expected for utilisation of these costs linked to the delivery of Proud savings. Based on the utilisation of £1.28m of this type of expenditure in 2022/23 there is scope for further use of FUOCR in this area should the balance carried forward from 2022/23 exceed the forecast £1.17m.

Updated proposed use of FUOCR is therefore as follows:

| <b>Proposed Area</b>   | <b>Project Area / Work Stream</b> | <b>Total Expenditure (£m)</b> |
|--|-----------------------------------|-------------------------------|
| Walsall Proud Transformation and Change and Project Management Support   | CAM / All Proud Workstreams       | 0.80                          |
| One-Off Proud Workstream Investment to Deliver Proud Savings   | Adult Social Care                 | 1.61                          |
| Service restructuring and rationalisation (interim support to create additional capacity, redundancy, pension strain, etc) costs associated with organisation redesigns to deliver the changes in Proud ways of work | All Proud workstream projects     | 1.59                          |
| <b>Total</b>   |                                   | <b>4.00</b>                   |

Any proposed spend in 2022/23 which is delayed will roll forward to be used in 2023/24 (and potentially 2024/25). Additionally, should the S151 Officer choose not to utilise the planned FUOCRS for 2023/24 in part or full, then up to the full £4m would be available in 2023/24. Plans above the £1.17m identified above would include:

- Further restructure and redesign costs of c£0.97m;
- Enabling and Support Services costs of c£0.56m relating to implementation of a self-service portal and improved transactional process efficiencies;
- £1.3m of costs including business analysts, agency and interim, project management costs to support delivery of work stream activity across the change agenda.

### **Impact on Prudential Indicators**

The Strategy is also required to identify the prudential indicators that will be impacted by this investment. This impact is set out below:

- Pr1a. - Capital expenditure – Council Resources – increased by £4m.

No other prudential indicators are impacted.

The above impact on prudential indicators shows that this Strategy is affordable and will not impact on the council's operational and authorised borrowing limits. Further details on the council's Prudential Indicators can be found within the Treasury Management and Investment Strategy.

### **Monitoring**

The Strategy will be monitored throughout the financial year and may be updated and replaced as proposals are developed and expenditure incurred

## **Part 1 Annex 11 – Chief Finance Officer (S151 Officer) Section 25 Report on the Adequacy of Proposed Reserves and Robustness of the Budget Estimates**

### **Context**

In accordance with Section 25 of the Local Government Act 2003 (“the Act”) and to comply with CIPFA guidance on local authority reserves and balances, the Chief Finance Officer is required to formally report to members on the robustness of the estimates used for the purpose of calculating the budget and the adequacy of proposed reserves needed for meeting future expenditure requirements. The Chief Finance Officer (Under S151 of the Local Government Act 1972) is appropriately qualified under the terms of Section 113 of the Local Government Finance Act 1988. In signing off this overall revenue budget report, the signature of the Interim Executive Director for Resources and Transformation who holds the position of Chief Finance Officer/S151 Officer, constitutes the formal declaration required under the Act that these conditions are met (based on the available information at the time of signing).

### **Reserves**

It is prudent for councils to maintain an adequate level of general reserves (or working balance). They provide a buffer and mitigate against risks, such as unavoidable and unknown demand and other service cost pressures which may arise in the year; cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing; and support the management of the impact of any unexpected events or emergencies. Earmarked reserves are also set to meet ‘known or predicted’ requirements, for example, self-insured liabilities, grant reserves, contingent and potential liabilities. Reserves allow the council to manage the impact of these and to manage change without the need for immediate reductions in services. In the current financial climate arising primarily from a global pandemic, but also in the context of the United Kingdom’s exit from the European Union, the importance of good financial management, including maintaining a prudent level of reserves and contingencies, cannot be over-estimated.

There is no overall formula for calculating what an appropriate level of reserves should be. Whilst the medium-term financial framework (MTFF) sets out a guide as to what should be a minimum level, the actual level is based on best practice guidance, best professional judgement, the strategic, operational, and financial risks facing the council, including an assessment of known and potential risks and an understanding of national and local factors.

A minimum level of reserves is specified in the Budget. The Council’s MTFF sets a range of between 1% of gross revenue expenditure for the year in question (£7.22m) and 2.5% (£18.04m). However, Section 25 of the Act requires the Chief Finance Officer (CFO) to report on the adequacy of proposed reserves and to determine the minimum level which the Council is required to have regard to in setting the overall budget envelope.

The MTFF also sets out the authority's financial framework including, as the first of ten themes of operational principles, calls on reserves and contingencies. A key principle is that reserves should not be considered to be or used as a budget and any in-year calls on the working balance should be replenished. Services cannot approve unbudgeted expenditure on the assumption that it will be met from the working balance. This matter

is reserved to the CFO, in consultation with the Portfolio Holder for Finance.

### **Adequacy of reserves**

The CFO assesses and determines the appropriate level of reserves (including school's reserves), provisions and contingencies using a variety of mechanisms, including;

- Being significantly involved in the budget setting process, the annual financial cycle, and engaged in the strategic leadership of the organisation (through regular meetings with the Chief Executive, other Statutory Officers, and the Corporate Management Team);
- The refresh of the medium-term financial framework (MTFF) and outlook (MTFO);
- Challenging the budget at various stages of construction, including the reasonableness of the key budget assumptions, such as estimates of financial pressures, the realism of income targets, the robustness of plans to deliver savings, and the extent to which known trends and liabilities are provided for;
- Review of financial risk assessments;
- Review of the movements, trends and availability of contingency, provisions and earmarked reserves to meet unforeseen cost pressures in the context of future potential pressures and issues;
- The use of professional experience and best professional judgement;
- The use of appropriate professional, technical guidance and local frameworks (CIPFA guidance, LAAP99, Local Government Act 73, Localism Act 2011);
- Knowledge and involvement of colleagues involved in the process, including Directors and budget holders, along with finance business partners;
- Consultation with Members as appropriate, including the Portfolio Holder for Finance;
- Review of the strength of financial management and reporting arrangements, including internal control and governance arrangements and external assurance of these;
- Review of the current year's financial performance in services, actions to address areas of pressure, known future service delivery changes, the level of schools reserves and the financial performance of schools;
- Review of national and local economic, market, legislative and financial conditions.

A risk assessed approach is used to determine the required level of reserves and contingencies. This includes external risks; including the cost of living impact on services and residents, the legacy of the pandemic, national policy changes, legislation, national funding arrangements and levels of support available, changes in market, employment and economic conditions, service user behaviours (e.g. impact on income projections); and internal risks such as the ability to deliver planned savings. The MTFF is regularly updated and approved by Cabinet to reflect the changing environment in which we work. Reserves and contingencies are addressed within the Framework.

In the current climate, there continues to be significant uncertainties around funding, particularly in light of the impact of cost of living pressures, delayed changes to funding mechanisms, the continued use of one off grants and a one year settlement for 2023/24.

The continued need to make savings whilst driving improvements in customer and employee satisfaction over the medium term through Proud transformation and maintaining the organisational capacity to deliver this at the required scale and pace also creates risk. It is therefore prudent to consider contingency plans should in year reporting

arrangements identify that planned savings may be delayed. Alongside the deferred national Funding and Social Care charging reform policy changes and any 'unknown' demographic and demand cost pressures, this increases organisational risk and therefore the need for adequate levels of reserves to be maintained in current and future years.

The level of opening balances for 2023/24 is partially dependent on the level of closing balances for 2022/23. The following details general reserves as at 31 March 2022, together with the proposed use of and transfer to reserves, and the resulting balance as at 1 April 2023, to secure the opening level of reserves recommended by the Chief Finance Officer.

| <b>Opening General Reserves</b>  | <b>£m</b>      |
|--|----------------|
| Balance as at 1 April 2022   | (19.19)        |
| Transfer of 2021/22 underspend to Earmarked Reserves                                       | 1.49           |
| Potential transfer of in year forecast overspend (as at December 2022 monitoring position) | 0.00           |
| <b>Estimated closing balance as at 31 March 2023</b>                                       | <b>(17.70)</b> |
| Transfers to earmarked reserves to meet forecast risks                                     | 1.58           |
| <b>Opening Balance as at 1 April 2023</b>  | <b>(16.12)</b> |

This level of balances is considered prudent for a number of reasons:

- Uncertainty over the level of funding going forward, particularly in light of the continuing impact of cost of living pressures, the legacy of the pandemic on costs and income, supply chain issues and the fundamental changes in relation to central funding and business rate retention;
- Operational, strategic and financial risks facing the authority, as set out in this statement;
- The council is not permitted to budget for a level of general reserves below that determined by the MTFF and the S151 officer;
- Balances are predicated on total savings of c£15.71m being achieved in 2023/24, plus a further c£6.02m of carried forward of 2022/23 savings in relation to Adults and Children's Social Care. Whilst an assessment of plans has been undertaken, it is prudent to hold a contingency to manage any delay in delivery of savings or additional 'unknown' costs, particularly in light of the pandemic;
- Uncertainty around future demand led services, specifically within Adult and Children's Social Services.

The CFO has assessed the current year's financial performance and actions taken to address underlying pressures. In considering this, alongside the financial risk assessment, previous years' financial performance, and the potential risks and pressures facing the organisation, the CFO recommends that opening reserves are set at no less than £16.12m. This is based on the following assessed categories of financial risk:

| <b>Financial Risk Assessment</b>  | <b>£m</b>    |
|---|--------------|
| Funding risks – fall out of grant, council tax changes, etc                 | 1.93         |
| Cost / Demand Pressures including national, economic and legislative impact | 13.18        |
| Loss of Income / Investments  | 1.01         |
| <b>Assessed General Reserve Requirement</b>                                 | <b>16.12</b> |



## Earmarked Reserves

The council maintains a number of reserves, earmarked for specific purposes, all of which are set at the levels required to meet future commitments. These cover:

- Council liabilities - These reserves cover expenditure where the council has a legal obligation to pay costs, however the timing of which is not yet known, such as redundancies, legal costs, business rate appeals, insurance claims, pension costs. Once the timing and liability is known, the liability becomes a provision within the financial statements;
- Grants received in advance (where the council has received money in advance of the next accounting period or money that covers more than one accounting period), which will be spent in line with the grant conditions;
- Legacy Covid-19 reserves to be used to support the impact of Covid-19 on the collection fund;
- 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 exposure to interest rates;
- Demand - These reserves are primarily to provide short term additional funding for Children's and Adult Social Care where a spike in demand may create overspends, but the likelihood is still uncertain. Additionally, an amount is provided for Housing Benefits;
- Proud and Projects - These reserves are to finance service transformation, major capital projects, and regeneration of the borough;
- Schools' reserves held by, but not controlled by, the council.

An annual review of earmarked reserves is undertaken, and funds adjusted as required or released where liability is assessed as ceased. The expected level of earmarked reserves as at 1 April 2023 is as follows and is considered reasonable and prudent

| <b>Earmarked Reserves</b>                                      | <b>£m</b>       |
|--|-----------------|
| Balance as at 1 April 2022                                     | (217.17)        |
| Created in year – provision for Cost of Living                 | (1.54)          |
| Expected to be used (transfers from) in year*                  | 56.29           |
| Transfers to in year*  | (6.95)          |
| Replenishment of risk reserve                                  | (2.67)          |
| <b>Estimated Closing Balance as at 31 March 2023</b>           | <b>(172.04)</b> |
| Net transfers to / use of earmarked reserves in 2023/24 Budget | (3.67)          |
| <b>Estimated Opening Balance as at 1 April 2023</b>            | <b>(175.71)</b> |

*\*As per monitoring reports to CMT and Cabinet throughout 2022/23, this is the planned/ approved transfer to and use of earmarked reserves in year, primarily the use of grants.*

## Central Contingency

As well as general and earmarked reserves, the council holds a small revenue contingency to manage unforeseen but recurring expenditure. The contingency is held centrally and is calculated between 0.1% and 0.15% of the year's gross revenue budget. For 2023/24 this is to be set at £1.08m (the higher level).

A prudent central capital contingency is also held, not exceeding 10% of the annual council funded element of the capital programme requirement, to accommodate unforeseen /

unbudgeted expenditure (i.e. where, due to the level of uncertainty, the financial impact is not certain at the time of setting the programme). The exact level is set by the CFO. The contingency will be funded either from drawing down the earmarked capital reserve or from an annual revenue contribution to capital outlay from the project reserve (subject to there being sufficient funds to replenish this at year end). For 2023/24 this is to be set at £500k, which is based on past requirements. Given the uncertainty around capital investment costs however, there is potential to use part of the pipeline investment capital fund within the 2023/24 capital programme to manage any further volatility in costs, which along with robust business cases and careful management of scheme funds, should be sufficient to manage the overall programme in 2023/24.

### Schools Reserves

The CFO, as part of this statement, is required to confirm that school's balances are adequate. In 2006/07, DfES introduced expectations on local authorities with regard to their schemes of financial management. Part of this legislation required schools to agree a balance control mechanism. This mandatory requirement was subsequently removed. The council and Walsall Schools Forum considered the options around balance control and given the authority powers to investigate and claw back balances in excess of a specified percentage of the school budget share. The council notes that the latest Academies handbook has removed the need for balance control for many academies.

Schools Forum is mindful of value for money in all that schools do, looks for medium term financial planning and encourages an adequate working balance as part of that process. This is supported by regular reports to the Schools Forum on medium term funding and more recently linking value for money and performance.

The adequacy of balances is reviewed annually by the CFO. For the current financial year 1 school is operating a licensed deficit and has worked with the council to implement actions required to return to an in-year surplus from 2023/24.

The overall levels of schools reserves is kept under regular review, along with any exceptional balances, and based on school monitoring submissions for 2022/23 the level of schools reserves are forecast to move from an opening balance of £12.73m to a closing balance of £8.65m, a planned reduction of £4.08m which is mainly linked to the need to fund pay awards and increased energy costs.

### Overall Assessment of Reserves

An opening level of general reserves of not less than £16.12m is considered to be sufficient for most possible events, over the short-term i.e., for 2023/24. The council will continue to face real and present financial challenges beyond this. In the context of this funding environment, wherever possible, reserves will be at least maintained during 2023/24 and beyond.

In recommending an adequate level of reserves, the CFO considers and monitors the opportunity costs of maintaining particular levels of reserves and balances and compares these to the benefits accrued from having such reserves. The opportunity cost of maintaining a specific level of reserves is the 'lost' opportunity for example, of investing elsewhere to generate additional investment income, or using the funds to invest in service improvements. In assessing this it is important to consider that reserves can only be used once. Therefore, any use of general reserves above the lower minimum threshold is only

ever used on one-off items of expenditure. The level of reserves is also determined by use of a comprehensive risk assessment to ensure they represent an appropriately robust "safety net" which adequately protects the council (a complex and multi-disciplinary metropolitan district local authority) against potential unforeseen and therefore unbudgeted costs.

In this context, it is considered that a level of reserves set at £16.12m presents an optimum balance between risk management and opportunity cost. The CFO is satisfied that the benefits accrued in maintaining these at the recommended level outweigh the potential lost opportunity from investing these reserves in other ways. This maintains a suitable and sustainable level of reserves, which include ensuring sound governance and financial stability in the short and longer term.

The above assessment concludes that general reserves, if set at £16.12m, will be at an appropriate level as determined in accordance with the MTFF and the CFO's professional advice.

### **Robustness of the Estimates included within the Budget**

The CFO has been involved throughout the entire budget process, including significant input to the drafting of the budget, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with Members of the Executive and Overview and Scrutiny, advising colleagues, challenge and evaluation activities, and the scrutiny and approval of various reports.

As stated, the budget is risk assessed to ensure adequate funding for all known liabilities and to provide sufficient resources to enable service change and transformation. It covers an assessment of current year's performance, an assessment of income targets, estimates of future cost and potential unavoidable demand pressures.

### **Key assumptions**

The cost assumptions and prices used in the budget are derived from current intelligence and are considered appropriate. Demand changes have been identified and are reflected in budget increases identified in the appendices where appropriate, on a risk assessed basis. Areas of identified pressure within 2023/24 are planned to be covered by a combination of base budget alignments to recognise the agreed ongoing management of corrective action undertaken during 2022/23 or base budget adjustments, where growth/investment is included within the 2023/24 budget to cover the cost pressure (or income/grant shortfall). Fees and charges have been reviewed and changes are reflected in the overall budget. Contingency has been built in (inflationary / contractual) for uncertainty concerning the impact on supply and prices from cost of living. There is of course a level of uncertainty around forecasting, particularly given the disruption to services caused in recent years by the pandemic and cost of living in particular, and as such this is reflected in the risk assessment for 2023/24 and increased opening level of general reserves. Forecasts are therefore based on the best available data at the point the budget will be set, and best professional estimates.

Capital receipts and the borrowing requirement to be used for the capital programme are based on professional estimates both of timing and value. Assumptions on funding, including government funding, business rate and council tax levels, inflation, income assumptions, increases in costs arising from demographics and demand, borrowing requirements, balances, and contingencies, are set out within the main budget report and are considered

appropriate.

Significant investment has been included to cover those areas of most demand and volatility, particularly in Adult and Children's Social Care.

### Proud Savings

Walsall Proud has developed from a formal programme into workstreams supporting Walsall's continuous improvement journey with the appropriate governance, assurance, and structures to support this delivery. The focus remains on transforming the way the council works and delivering on the council's Proud promises, linking to the Council Plan and outcomes for the borough. Walsall Proud activity covers all council services and consists of a number of key workstreams, as follows:

- Enabling Communications and Culture;
- Customer Access and Management;
- Designing the Ways of Working – Hub and Enabling Support Services;
- Enabling Technology;
- Income Generation & Cost Recovery;
- Adult's Social Care – Continuous Improvement Programme.

Given this and the size and scale of the programme, this inevitably creates uncertainty. Work, however, has developed in 2022/23 to translate the workstream benefits into services via service transformation plans (STP's), allowing c£15.71m of new savings to be incorporated into the 2023/24 budget. This is in addition to c£49m of savings already identified/delivered.

Finance, the joint programme management team, and Proud work stream leads, have and continue to review the Proud workstream plans, benefits realisation, and the anticipated level of cashable savings in relation to 2023/24. Actions to address gaps between planned activity and realisation of benefit have been discussed and provided all actions are taken within the agreed timescales then cashable savings identified for 2023/24 are deemed achievable. The financial risk assessment which has informed the CFO's recommendation on an adequate level of earmarked reserves and general reserves, does contain a contingency to manage some variation to this from unforeseen events.

Responsibility and accountability for delivery of Proud savings rests with the relevant Directors and workstream implementation leads for delivery of workstream capabilities and with Directors for delivery of service transformation plans, and progress will continue to be monitored and reported throughout the forthcoming year.

### Risks, including Strategic, Operational and Financial

In the budget, 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. Estimates and forecasts include all known significant financial risks over the next year and medium term to inform spending decisions. The council continues to use an embedded good practice risk assessment approach both when setting the budget and in validating estimated outturns. This continues for the 2022/23 outturn and the 2023/24 budget.

The risk assessment has highlighted the following areas of financial risk:

- Cost of living and uncertainty around future impact on costs and services;
- Legacy impact on income of the pandemic;
- Demand – the risk of further demand, specifically in Children’s and Adult Social Care, above the levels incorporated into the budget. This includes the risk that the Fair Cost of Care costs will not be fully covered by grant;
- New Burdens / national policy implications on local budgets – the risk that Government changes in policy will lead to a transfer of responsibility / new burdens, without the transfer of funding to support those activities; or potential costs arising from inspections arising after the budget was set;
- Funding and uncertainty around central funding of local authority services beyond 2023/24;
- Grant reductions not published or known about at the time the budget is set;
- Further unbudgeted income shortfalls during the financial year;
- Unknown liabilities that may arise after the budget is set, for example from changes in legislation or statutory guidance;
- Cost pressures – i.e. inflationary pressures, pressures arising from a severe winter (i.e. gritting, road maintenance), pressures from economic or employment changes;
- Pay related changes such as pay awards being above that assumed within the budget, including the risk that the living wage nationally and within the care market specifically may be above that forecast;
- Delays in delivery of agreed savings, for example, arising from implementing organisational change, renegotiating or tendering for third party contracts.

These have been assessed, and a risk value assigned. Professional and best estimates have been made of the scope of the financial risk. Sensitivity analysis has been used where appropriate, to determine an appropriate risk value. The assessment confirms that a reserve value at the higher end of the MTFF guidelines is appropriate.

### **The Budget in Context**

The budget includes the allocation of financial resources to different services and projects, proposed reserves and contingency funds, setting the council tax and council tax base, and decisions relating to the control of the council’s borrowing requirement, the control of its capital expenditure and the setting of virement limits. The budget has been constructed in accordance with the principles and direction set out in the MTFF.

All cost pressures, efficiencies and savings have been appraised to ensure accuracy of costings and deliverability. Individual officers are identified as accountable for their implementation. The council is working to improve performance outcomes on a range of activities which are monitored throughout the year. Budget provision has been identified for the priorities outlined in the Council Plan. All savings have delivery plans in place - the £4.7m Customer Access Management saving has a high level plan and a detailed delivery plan is being drawn up, to be in place prior to the beginning of the new financial year, in line with the recommendations of External Audit’s Annual Report.

### **Summary**

Best endeavours have been made to ensure that the budget and reserves are adequate using the information available at this date. The budget has been constructed within a professional policy-led medium term strategic framework, using appropriate assumptions,

linking investment and spending to key priorities, and having undertaken a comprehensive assessment of risk.

In summary, I can confirm that, taking into account the information known at this time;

(a) the estimates made for the purposes of the calculation of the Council's budget requirement under Section 32 of the Local Government Finance Act 1992, contained in the budget report, are robust;

(b) the financial reserves available to the Council as a result of agreeing the proposals contained within the Budget report are adequate to enable the setting of a lawful budget for 2023/24.

Deborah Hindson  
Interim Executive Director, Resources and Transformation,  
Chief Finance Officer (S151 Officer)  
23 January 2022

## Section B - Part 2 – Treasury Management

### A: Treasury Management and Investment Strategy for 2023/24 Onwards

#### 1 INTRODUCTION

##### 1.1 Background

The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed, and that any surplus monies are invested in counterparties or instruments with an appropriate level of risk (as defined within the Councils Treasury Management Policies), providing adequate liquidity initially before considering investment return.

The other main function of the treasury management service is to ensure appropriate arrangements are in place to fund the council's approved capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer term cash flow planning to ensure that the council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet council risk or cost objectives.

CIPFA defines treasury management as:

*“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

#### **Revised CIPFA Treasury Management Code and Prudential Code**

CIPFA published revised Codes on 20th December 2021 and set out that revisions are required to be included in the reporting framework from the 2023/24 financial year.

Where revisions have been made to both the Treasury Management Code and Prudential Code these have been updated where relevant to Walsall within the Treasury Management and Investment Strategy and Policy Statement. A summary of these revisions are as follows:

- Adopt a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement and will be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained;
- TMP 10 has been expanded and CIPFA expects all organisations to have a formal and comprehensive approach to ensuring the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making, with developments to the existing

knowledge and skills register for officers and members involved in the treasury management function;

- The Chief Finance Officer is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly;
- Environmental, social and governance (ESG) policies of the authority to be included within an authority's treasury management policies and practices (TMP1) where relevant.
- As part of the new requirements authorities are required as a minimum to estimate for the forthcoming financial year, and the following two financial years, the proportion of net income from commercial and service investments compared to budgeted net revenue stream. This ratio will consider an authority's exposure to risk from commercial and service investment income.

### **Reporting requirements**

The Council is required to receive and approve, as a minimum, four main reports each year, which incorporate a variety of policies, estimates and actuals.

**Prudential and treasury indicators and treasury strategy** - This covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure i.e. that funded from borrowing, is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an annual investment strategy (the parameters that set out how investments are to be made and managed).

**A mid-year treasury management report** – This will update members on the progress of the capital plans, amending prudential indicators as necessary, and identify whether any policies require revision. In addition, the Council will receive quarterly update reports on performance throughout the year.

**An annual treasury report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates included within the strategy.

**A Capital Strategy report** – This is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this report is to ensure that all elected members on the full council fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy. Further information can be found at **Part 1 Annex 8** of this Budget Plan.



## **Scrutiny**

The above reports are required to be adequately scrutinised before being recommended to the Council. For Walsall Council the Cabinet undertakes this role.

### 1.2 Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas:

#### **Capital issues**

- capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

#### **Treasury management issues**

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy;
- policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Department of Levelling Up, Housing and Communities (DLUHC) MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

### 1.3 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, the code has been expanded and CIPFA expects all organisations to have a formal and comprehensive approach to ensuring the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making, with developments to the existing knowledge and skills register for officers and members involved in the treasury management function

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare a learning plan for treasury management officers and council members.
- Have regular communication with officers and council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment for members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download and support members in identifying any further training needs that they may have.

All members were invited to a virtual training event hosted by the Council's Treasury Management Consultants Link Asset Services in November 2022 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function is maintained in line with the Council's Annual Performance Conversation (APC) process. Similarly, a formal record of the treasury management / capital finance training received by members is also maintained.

#### 1.4 Treasury Management Consultants

The council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The council recognises that the responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

#### 1.5 Treasury Management Monitoring

Local and Prudential indicators are used to monitor treasury management activities which are produced monthly and reported at least quarterly to the treasury management panel. The indicators monitored during the year are detailed in **Annex 1**.

## 2 THE CAPITAL PRUDENTIAL INDICATORS 2023/24 – 2025/26

The council's capital expenditure plans are the key driver of treasury management activity. The output of these plans is reflected in the prudential indicators, designed to assist members' overview and confirm capital expenditure plans.

### 2.1 Capital Expenditure - Prudential Indicator 1

This prudential indicator is a summary of the council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are recommended to approve the capital expenditure forecasts. The financing need below excludes other long term liabilities, such as Private Finance Initiative and leasing arrangements which already include borrowing instruments within them. The current capital plans which this strategy supports are detailed in Table 1 below.

A summary of the 2023/24 capital programme is outlined in **Part 1 section 3** of this budget plan. The summary of the draft capital programme over the plan period 2023/24 to 2026/27 is outlined at **Part 1 section 4**, with full details by scheme at **Part 1 Annex 9**. The Capital Strategy is attached at **Part 1 Annex 8** of this budget plan.

| <b>Table 1 : Current Capital Programme</b> |                                    |                                     |                                     |                                     |                                     |
|--|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>2022/23<br/>Forecast<br/>£m</b> | <b>2023/24<br/>Estimated<br/>£m</b> | <b>2024/25<br/>Estimated<br/>£m</b> | <b>2025/26<br/>Estimated<br/>£m</b> | <b>2026/27<br/>Estimated<br/>£m</b> |
| <b>Total Capital Expenditure</b>           | <b>121.00</b>                      | <b>115.27*</b>                      | <b>117.28</b>                       | <b>49.00</b>                        | <b>28.16</b>                        |
| Resourced by:                              |                                    |                                     |                                     |                                     |                                     |
| Capital receipts                           | 1.50                               | 1.50                                | 1.50                                | 1.50                                | 1.50                                |
| Capital grants                             | 87.35                              | 48.41                               | 51.54                               | 25.49                               | 18.10                               |
| Capital reserves                           | 0.00                               | 0.00                                | 0.00                                | 0.00                                | 0.00                                |
| Revenue                                    | 0.02                               | 0.02                                | 0.02                                | 0.02                                | 0.02                                |
| Borrowing                                  | 32.13                              | 65.34                               | 64.22                               | 21.99                               | 8.54                                |
| <b>Total resources available</b>           | <b>121.00</b>                      | <b>115.27</b>                       | <b>117.28</b>                       | <b>49.00</b>                        | <b>28.16</b>                        |

\*Excludes forecast carry forwards from 2022/23

### 2.2 Affordability Indicators

The previous prudential code required the authority to prepare an indicator (former prudential indicator 2) so that the council could assess the affordability of its capital investment plans. Although this is no longer required under the code, the authority still prepares the former prudential indicator 2 as this provides an indication of the impact of the capital investment plans on the council's overall finances. Council is recommended to approve the following indicators:

#### **Ratio of financing costs to net revenue stream – Former Prudential Indicator 2**

This indicator identifies the trend in the cost of capital financing (borrowing and other long-term obligation costs net of investment income) against the council's net revenue stream.

| <b>Table 2 : Former Prudential Indicator 2</b> |                             |                              |                              |                              |                              |
|--|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|  | <b>2022/23<br/>Forecast</b> | <b>2023/24<br/>Estimated</b> | <b>2024/25<br/>Estimated</b> | <b>2025/26<br/>Estimated</b> | <b>2026/27<br/>Estimated</b> |
| Ratio  | 9.76%                       | 8.80%                        | 6.54%                        | 3.64%                        | 3.36%                        |

### 2.3 The council's borrowing need (the Capital Financing Requirement) – Prudential Indicator 4

Prudential indicator 4 is the council's Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the council's underlying borrowing need. Any capital expenditure not immediately paid will increase the CFR. The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge, which broadly reduces the borrowing need in line with each assets estimated life.

The CFR does include other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the council's borrowing requirement, these types of schemes include a borrowing facility within them and so the council is not required to separately borrow for these schemes. The council currently has £3.89m of such schemes within the CFR. Council is asked to approve the CFR projections in Table 3 which shows that the council's net borrowing need for the period from the start of 2022/23 to the end of 2026/27 is estimated to see an increase of £130.15m. The council's borrowing strategy is set out in section 4.

| <b>Table 3 : Analysis of CFR</b>             |                                    |  |  |  |  |
|--|------------------------------------|--|--|--|--|
|  | <b>2022/23<br/>Forecast<br/>£m</b> | <b>2023/24<br/>Estimate<br/>d<br/>£m</b> | <b>2024/25<br/>Estimate<br/>d<br/>£m</b> | <b>2025/26<br/>Estimate<br/>d<br/>£m</b> | <b>2026/27<br/>Estimate<br/>d<br/>£m</b> |
| Opening Capital Financing Requirement        | <b>374.499</b>                     | <b>372.239</b>                           | <b>433.114</b>                           | <b>486.644</b>                           | <b>491.871</b>                           |
| <i>Net financing need for the year</i>       |                                    |  |  |  |  |
| Less MRP and other financing movements       | -13.480                            | -12.675                                  | -14.870                                  | -18.285                                  | -17.143                                  |
| Additional borrowing                         | 11.220                             | 73.550                                   | 68.400                                   | 23.512                                   | 29.925                                   |
| <b>Movement in CFR</b>                       | <b>-2.260</b>                      | <b>60.875</b>                            | <b>53.530</b>                            | <b>5.227</b>                             | <b>12.782</b>                            |
| <b>Closing Capital Financing Requirement</b> | <b>372.239</b>                     | <b>433.114</b>                           | <b>486.644</b>                           | <b>491.871</b>                           | <b>504.653</b>                           |

The council has maintained an under-borrowed position, which means that the capital borrowing need (the CFR), has not been fully funded with loan debt as cash supporting the council's reserves, balances and cash flow has been used as a temporary measure. This strategy has been prudent whilst investment returns have remained low and counterparty risk is relatively high compared to the historical position.

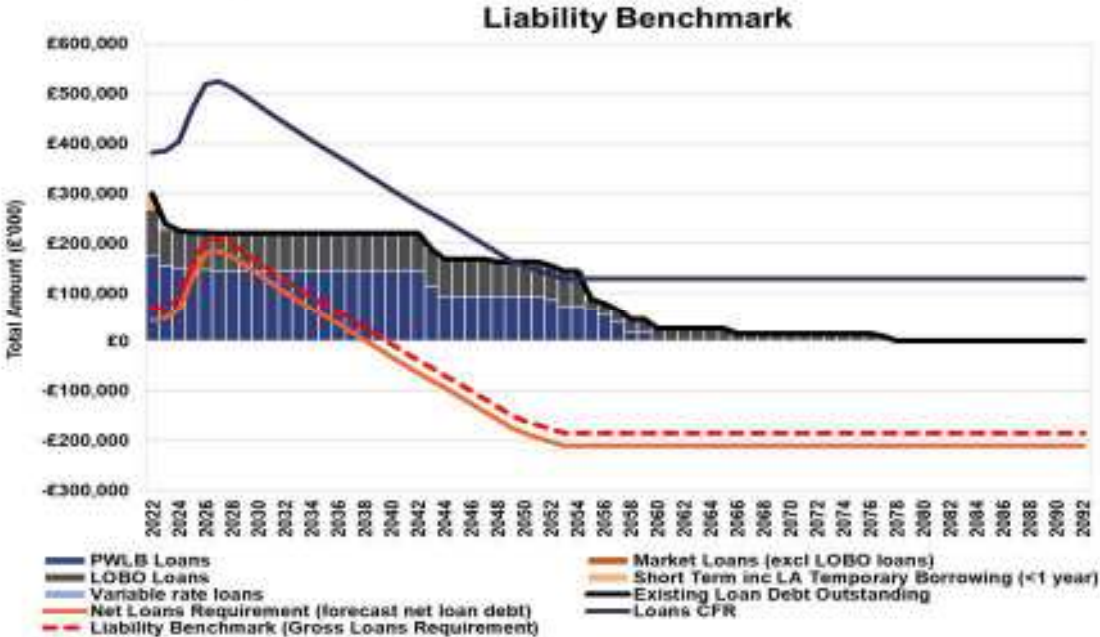
## 2.4 Liability Benchmark

A new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB:

1. **Existing loan debt outstanding:** the Authority’s existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority’s gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

Chart 1 – Liability benchmark for Walsall Council



The chart above shows Walsall Council’s liability benchmark. The main point to note is that the benchmark indicates that the Council does not currently have an immediate borrowing need as the benchmark is below the existing loan portfolio. This is mainly due to significant levels of cash and investments currently held by the Council (and is in line with the under-borrowed position highlighted earlier in the strategy).

The benchmark then assumes that over the medium / longer term authorities will run down investments instead of borrowing – however it should be noted that this would not always be the option that the authority chooses to take, as utilising cash balances

potentially represents a re-financing risk (which the liability benchmark does not consider) where borrowing has to be taken once cash is run down at potentially unfavourable interest rates should markets decline in the intervening period.

Additionally, only approved planned borrowing can be included within the benchmark, as such the CFR and forecasts within the liability benchmark are underestimated after year 4 (as they are not allowed to include any potential capital plans the authority may choose / approve to enter in to following that period) and the longer term position shown in the benchmark is therefore not representative of the actual position that the council will realistically see.

The liability benchmark cannot therefore be considered in isolation and needs to be considered alongside the full range of borrowing plans, investment strategies and other indicators set out within this strategy, with the liability benchmark itself being purely a guide to identify borrowing need and providing one of a number of tools that support the authorities ability to make judgements as required, and borrow up to the authorised limits, with any variance from the benchmark able to be explained.

### **3. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT**

The MRP policy (see **Annex 2**) details the council's policies for calculating the annual amount charged to revenue for the repayment of debt.

#### **3.1 Background to Annual MRP policy Review**

A local authority shall determine each financial year an amount, it considers to be prudent, to be set aside for the repayment of accumulated borrowing relating to capital expenditure. This is known as the minimum revenue provision (MRP). There are four ready-made options available for calculating MRP, however authorities do also have discretion to determine their own MRP, other approaches are not ruled out, as long as the authority is properly reasoned and justified utilising them.

#### **3.2 MRP Policy Objectives**

- The council shall determine for each financial year an amount of revenue provision for the future repayment of debt that it considers prudent.
- To set aside funds at a rate such that future generations who benefit from the assets are contributing to the associated debt and avoiding the situation of future generations paying for the debt on assets that are no longer useable.

### **4 BORROWING**

The resourcing of the capital expenditure plans set out in **Section 2** provides details of the proposed capital expenditure that will be incurred in support of the service activity of the council. The treasury management function ensures that the council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

#### 4.1 Current portfolio position

The council is expected to end 2022/23 with borrowing of over 1 year length of approximately £266m against an asset base of approximately £570m, and investments of approximately £129m. These will be proactively managed to minimise borrowing costs and maximise investment returns within a robust risk management environment. In 2023/24 estimated annual interest payments are £11.39m (£12.94m budget for 2022/23), with the increase due to planned borrowing included within the budget to take account of capital expenditure in line with capital plans set out in table 1 above. Net investment interest income for 2023/24 is estimated to be £4.58m (£2.1m budget for 2022/23), with the increase mainly due to slightly improved interest rates. The net budget for capital financing in 2023/24 is £24.53m (£25.06m in 2022/23).

The council's treasury portfolio position at 31<sup>st</sup> December 2022 is shown in Table 4; year end forward projections are summarised in Table 5. This shows that the actual external borrowing (the treasury management operations), against the capital borrowing need and operational debt, and highlights any over or under borrowing. It shows that the council's underborrowing position is expected to continue for the medium term.

| <b>Table 4 : Borrowing and Investments</b> |                         |                           |                             |
|--|-------------------------|---------------------------|-----------------------------|
|  | <b>Borrowing<br/>£m</b> | <b>Investments<br/>£m</b> | <b>Net Borrowing<br/>£m</b> |
| 31 March 2022                              | <b>328.97</b>           | <b>(266.93)</b>           | <b>62.04</b>                |
| 31 December 2022                           | <b>280.93</b>           | <b>(183.76)</b>           | <b>97.17</b>                |
| Change in year                             | <b>(48.04)</b>          | <b>83.17</b>              | <b>35.13</b>                |

| <b>Table 5 : Borrowing Forward Projections</b>   |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Borrowing profile</b>                         | <b>2023/24<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> |
| Under 12 Months                                  | 4.75                  | 6.11                  | 0.00                  | 1.89                  |
| 12 Months to within 24 Months                    | 6.11                  | 0.00                  | 1.89                  | 0.00                  |
| 24 Months to within 5 Years                      | 1.89                  | 1.89                  | 0.00                  | 0.00                  |
| 5 Years to within 10 Years                       | 0.00                  | 0.00                  | 0.46                  | 0.46                  |
| 10 Years and Above                               | 261.89                | 340.45                | 405.74                | 429.25                |
| <b>Total Borrowing</b>                           | <b>274.64</b>         | <b>348.45</b>         | <b>408.09</b>         | <b>431.60</b>         |
| <b>Operational Debt - Prudential Indicator 6</b> | <b>423.10</b>         | <b>476.97</b>         | <b>482.53</b>         | <b>495.64</b>         |
| <b>(Under) / Over Borrowed</b>                   | <b>(148.46)</b>       | <b>(128.52)</b>       | <b>(74.44)</b>        | <b>(64.04)</b>        |

Within the prudential indicators, there are a number of key indicators to ensure that the council operates its activities within defined limits. **Prudential Indicator 7** relates to the councils need to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The S151 Officer reports that the council complied with **Prudential Indicator 7** in the current year and does not envisage this indicator being breached in the future. This view takes into account current commitments, existing plans, and the proposals in this

budget report. In accordance with **Prudential Indicator 8**, the council has adopted and complies with the CIPFA Code of Practice for Treasury Management.

#### 4.2 Treasury Indicators: Limits to Borrowing Activity

##### The Authorised Limit for External Debt - Prudential Indicator 5

This prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council. It reflects the level of external debt, which, whilst not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is based on the requirement to set a statutory limit determined under section 3 (1) of the Local Government Act 2003. The government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The Council is asked to approve the following authorised limit:

| <b>Table 6 : Authorised Limit £m - Prudential Indicator 5</b> |                                    |                                     |                                     |                                     |                                     |
|---|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | <b>2022/23<br/>Forecast<br/>£m</b> | <b>2023/24<br/>Estimated<br/>£m</b> | <b>2024/25<br/>Estimated<br/>£m</b> | <b>2025/26<br/>Estimated<br/>£m</b> | <b>2026/27<br/>Estimated<br/>£m</b> |
| <b>Total</b>  | <b>474.38</b>                      | <b>465.41</b>                       | <b>524.67</b>                       | <b>530.78</b>                       | <b>545.21</b>                       |

##### The Operational Boundary - Prudential Indicator 6

This is the limit beyond which external debt is not normally expected to exceed. It has been calculated by deducting other local authority debt (totalling £5.77m in 2022/23) from the capital financing requirement (CFR) and then adding any expected in year cash-flow borrowing requirements.

| <b>Table 7 : Operational Boundary £m - Prudential Indicator 6</b> |                                    |                                     |                                     |                                     |                                     |
|---|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | <b>2022/23<br/>Forecast<br/>£m</b> | <b>2023/24<br/>Estimated<br/>£m</b> | <b>2024/25<br/>Estimated<br/>£m</b> | <b>2025/26<br/>Estimated<br/>£m</b> | <b>2026/27<br/>Estimated<br/>£m</b> |
| <b>Total</b>  | <b>431.25</b>                      | <b>423.10</b>                       | <b>476.97</b>                       | <b>482.53</b>                       | <b>495.64</b>                       |

#### 4.3 Prospects for interest rates

The council has appointed Link Group as its treasury advisor and part of their service is to assist the council to formulate a view on interest rates. The following table gives their central view.

| Link Group Interest Rate View 19.12.22 |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 |
| <b>BANK RATE</b>                       | 3.50   | 4.25   | 4.50   | 4.50   | 4.50   | 4.00   | 3.75   | 3.50   | 3.25   | 3.00   | 2.75   | 2.50   | 2.50   |
| 3 month ave earnings                   | 3.60   | 4.30   | 4.50   | 4.50   | 4.50   | 4.00   | 3.80   | 3.30   | 3.00   | 3.00   | 2.80   | 2.50   | 2.50   |
| 5 month ave earnings                   | 4.20   | 4.50   | 4.60   | 4.50   | 4.20   | 4.10   | 3.90   | 3.40   | 3.10   | 3.00   | 2.90   | 2.60   | 2.60   |
| 12 month ave earnings                  | 4.70   | 4.70   | 4.70   | 4.50   | 4.30   | 4.20   | 4.00   | 3.50   | 3.20   | 3.10   | 3.00   | 2.70   | 2.70   |
| 5 yr PWLB                              | 4.20   | 4.20   | 4.20   | 4.10   | 4.00   | 3.90   | 3.80   | 3.60   | 3.50   | 3.40   | 3.30   | 3.20   | 3.10   |
| 10 yr PWLB                             | 4.30   | 4.40   | 4.40   | 4.30   | 4.10   | 4.00   | 3.90   | 3.80   | 3.60   | 3.50   | 3.40   | 3.30   | 3.30   |
| 25 yr PWLB                             | 4.50   | 4.60   | 4.60   | 4.50   | 4.40   | 4.20   | 4.10   | 4.00   | 3.90   | 3.70   | 3.60   | 3.50   | 3.50   |
| 50 yr PWLB                             | 4.30   | 4.30   | 4.30   | 4.20   | 4.10   | 3.90   | 3.80   | 3.70   | 3.60   | 3.50   | 3.30   | 3.20   | 3.20   |



## Commentary from Link Group as at December 2022

Our central forecast for interest rates was updated on 19 December and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. Bank Rate stands at 3.5% currently but is expected to reach a peak of 4.5% in H1 2023.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening - QT), this has started and will focus on the short, medium and longer end of the curve in equal measure, now that the short-lived effects of the Truss/Kwarteng government have passed.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

### PWLB RATES

- The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

### The balance of risks to the UK economy:

- The overall balance of risks to economic growth in the UK is to the downside.

### Downside risks to current forecasts for UK gilt yields and PWLB rates include:

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).

- **The Bank of England** acts too quickly, or too far, over the next year to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

#### **Upside risks to current forecasts for UK gilt yields and PWLB rates:**

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project or even necessitates a further series of increases in Bank Rate.
- **The government** acts too quickly to cut taxes and/or increases expenditure in light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly and pull gilt yields up higher than currently forecast.
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields consequently.

**Borrowing advice:** Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are currently above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed Local Authority to Local Authority monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Our interest rate forecast for Bank Rate is in steps of 25 basis points, whereas PWLB forecasts have been rounded to the nearest 10 basis points and are central forecasts within bands of + / - 25 basis points. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

#### 4.4 Borrowing Strategy

##### **Our borrowing objectives are:**

- To minimise the revenue costs of debt whilst maintaining an appropriate level of cash and a balanced loan portfolio

- To manage the council's debt maturity profile, ensuring no single future year has a disproportionate level of repayments
- To maintain a view on current and possible future interest rate movements and borrow accordingly
- To monitor and review the balance between fixed and variable rate loans against the background of interest rate levels and prudential indicators.

### **Specific Borrowing Objectives**

- L1.** Full compliance with the Prudential Code - **No Change.**
- L2.** Average maturity date between 15 and 25 years - **No Change.**
- L3a.** Financing costs as % of council tax requirement 20% – **No Change.**
- L3b.** Financing costs as % of tax revenues 12.5% - **No Change.**
- L4.** Actual debt as a proportion of operational debt range is maintained in the range 65% - 85% - **No Change.**
- L5.** Average interest rate for internally managed debt will increase to **4.21% - Changed from 3.69% in view of planned borrowing.**
- L6.** Average interest rate for total debt (including other local authority debt) will be equal to or less than **4.33% - Changed from 3.77% in view of planned Borrowing re-profiling.**
- L7.** The gearing effect on capital financing estimates of 1% increase in interest rates must not be greater than 5% - **No Change.**

The capital borrowing need (CFR) has not been fully funded with loan debt and instead the council's cash which would normally be utilised to support the council's reserves, balances and cash flow has been used to fund the borrowing need as a temporary measure. This strategy has proved prudent as investment returns have been low and current levels of counterparty risk are higher than those seen historically and as such this is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Head of Finance – Technical & Transactional responsible for Treasury Management will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. For example:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any changes that are required will be reported to the treasury management panel at the next available opportunity.

4.5 Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. These limits have been reviewed. The indicators the Council is asked to approve are in Table 10 below (please note there are no changes proposed to the targets approved for 2022/23):

| <b>Table 8: Borrowing Limits</b>  | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> |
|---|----------------|----------------|----------------|
| <b>Prudential Code Indicator 10</b><br>Upper limits on fixed interest rate exposures.         | 95%            | 95%            | 95%            |
| Lower limits on fixed interest rate exposures   | 40%            | 40%            | 40%            |
| <b>Prudential Code Indicator 11</b><br>Upper limits on variable interest rate exposures       | 45%            | 45%            | 45%            |
| Lower limits on variable interest rate exposures  | 0%             | 0%             | 0%             |
| <b>Prudential Code Indicator 12</b><br>Lower limits for the maturity structure of borrowings: |                |                |                |
| Under 12 Months   | 0%             | 0%             | 0%             |
| 12 months and within 24 months  | 0%             | 0%             | 0%             |
| 24 months and within 5 years  | 0%             | 0%             | 0%             |
| 5 years and within 10 years   | 5%             | 5%             | 5%             |
| Upper limits for the maturity structure of borrowings:  |                |                |                |
| Under 12 Months   | 25%            | 25%            | 25%            |
| 12 months and within 24 months  | 25%            | 25%            | 25%            |
| 24 months and within 5 years  | 40%            | 40%            | 40%            |
| 5 years and within 10 years   | 50%            | 50%            | 50%            |
| 10 years and above  | 85%            | 85%            | 85%            |

The council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of such funds.

4.6 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred). The reasons for any rescheduling include:

- the generation of cash savings and / or discounted cash flow savings.
- helping to fulfil the treasury strategy.
- enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All potential rescheduling would require the approval of the treasury management panel.

Rescheduling of debt would normally be undertaken where there is an opportunity to deliver ongoing interest rate savings to the council. However rescheduling of debt does normally incur a premium cost (i.e. upfront break cost to end the borrowing agreement early). A reserve is therefore held by the authority to support any potential opportunities, and the current position of that reserve along with the forecast over the MTFO period is set out below.

|                      | 2023/24<br>£m | 2024/25<br>£m | 2025/26<br>£m | 2026/27<br>£m |
|----------------------|---------------|---------------|---------------|---------------|
| Opening Balance      | 9.168         | 14.889        | 16.041        | 13.400        |
| Transfer to Reserves | 5.721         | 1.152         | -2.640        | -1.290        |
| Closing Balance      | 14.889        | 16.041        | 13.400        | 12.111        |

Analysis of previous rescheduling indicates that the cost of any premium may be up to £15m. Additionally this reserve is also used to help mitigate the risk of interest rate rises on planned borrowing across the MTFO period, which is important at present where this is a positive outlook for interest rates but uncertainty around exact timing of these and associated impact on borrowing rates.

## 5. ANNUAL INVESTMENT STRATEGY

### 5.1 Investment Policy

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy (see **Part 1 Annex 8** of this Budget Plan)

The Council’s investment policy has regard to the following: -

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council’s risk appetite.

In accordance with the above guidance from the DLUHC and CIPFA and in order to minimise the risk to investments, the council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables

diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties. Counterparty limits are set through the council’s treasury management practices – schedules. This year the TM policies have been reviewed to ensure that any Banking Regulation changes are appropriately reflected to make certain that the security of the council’s deposits remain the highest priority whilst the council seeks a fair return for its investment. See TMP 1 section on Credit and Counterparty Risk Management paragraph h. TMP 1 also allows the undertaking of non-specified investments on the approval of the S151 Officer e.g. loans to housing associations, property funds and bond issues by other public sector projects etc. The use of property funds can be deemed to be capital expenditure, and as such in some instances will be an application (spending) of capital resources. This Authority will undertake due diligence and appropriate checks, and if required seek guidance, on the status of any fund it may consider using.

## 5.2 Creditworthiness Policy

### **Approved Organisations for Investments**

Only organisations that are eligible to receive investments from local authorities may be used. The council’s credit worthiness policy forms part of this document for review and approval.

## 5.3 The Monitoring of Investment Counterparties

The credit rating and financial resilience of counter parties are monitored regularly. The council receives credit rating information from Link Asset Services as and when ratings change and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list by the Head of Finance – Technical & Transactional and / or Finance Manager – Technical Accounting, Treasury Management & Education, and if required new counterparties which meet the criteria will be added to the list.

## 5.4 Investment strategy

The general policy objective for this council is for the prudent investment of its treasury balances. The council’s investment priorities are:

- The security of capital
- Liquidity of its investments
- All investments will be in sterling
- The council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates.

### Investment returns expectations

**Investment returns** are expected to improve in 2023/24. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the Monetary Policy Committee (MPC) fall short of these elevated expectations.

## 5.5 Specific Investment Objectives

Specific investment objectives are set out below.

- L8.** Difference between average interest rate received on short-term interest (STI) versus at call interest rate on main bank account – comparing investment performance of proactively managing cash balances against doing nothing – 50% - **no change**
- L9.** Average interest rate received on:  
     At call investments – 2.50% - **a change from 0.10%**  
     Short-term investments – 3.75% - **a change from 0.50%**  
     Long-term investments – 4.00% - **a change from 0.80%**  
     Property Funds – 3.56% - **a change from 3.34%**
- L10** Average rate on at call and short-term investments will be equal to or greater than 3.39% - **a change from 0.45%**
- L11** Average interest rate received on all investments:  
     Including Property Funds – 4.54% - **a change from 0.91%**  
     Excluding Property Funds – 3.48% - **a change from 0.48%**
- L12** % daily bank balances within a target range of 99% - **no change.**

Should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk i.e. Bank Rate increases occur earlier and / or at a quicker pace.

**Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year end.

The Council is asked to approve Prudential Indicator 13. Treasury indicator and limit:

| <b>Prudential Indicator 13 Maximum principal sums invested &gt; 365 days</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>£m</b>  | <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> |
| Principal sums invested > 365 days   | £25m           | £35m           | £35m           |
| Property Funds   | £30m           | £30m           | £30m           |

**5.6 Additional disclosures required within the statutory guidance on local government investments**

The updated statutory guidance on local government investments, which was issued in February 2018, identifies specific disclosures that the authority should identify within its Investment Strategy for all investments that it holds. The required disclosures for investments held by the authority are set out at Annex 3.

**5.7 End of year investment report**

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.



## Part 2 Annex 1 – In Year Treasury Management Indicators to be monitored

| No.          | Indicator   | 2022/23<br>Forecast | 2023/24<br>Estimated | 2024/25<br>Estimated | 2025/26<br>Estimated |
|--------------|---|---------------------|----------------------|----------------------|----------------------|
| PRL 1        | a. Capital expenditure - Council Resources - £m                       | 33.65               | 66.86                | 65.74                | 23.51                |
|              | b. Capital expenditure - External Resources - £m                      | 87.35               | 48.41                | 51.54                | 25.49                |
| Former PRL 2 | Estimates of the ratio of financing costs to the net revenue stream   | 8.80%               | 6.54%                | 3.64%                | 3.36%                |
| L. 3         | a. Financing costs as % of Council Tax Requirement                    | 11%                 | 20%                  | 20%                  | 20%                  |
|              | b. Financing costs as % of Tax Revenues                               | 7.51%               | 12.50%               | 12.50%               | 12.50%               |
| L. 4         | Actual debt v operational debt within the following range             | 65.14%              | 85.00%               | 85.00%               | 85.00%               |
| L. 5         | Average interest rate of debt excluding other local authority debt    | 3.69%               | 4.21%                | 4.25%                | 4.13%                |
| L. 6         | Average interest rate of debt including other local authority debt    | 3.77%               | 4.33%                | 4.32%                | 4.17%                |
| L. 9         | Average interest rate received on:                                    |                     |                      |                      |                      |
|              | a. At Call Investments  | 1.17%               | 2.50%                | 2.00%                | 1.50%                |
|              | b. Short Term Investments   | 1.22%               | 3.75%                | 2.75%                | 1.85%                |
|              | c. Long Term Investments  | 0.90%               | 4.00%                | 3.00%                | 2.75%                |
|              | d. Property Fund  | 3.56%               | 3.56%                | 3.56%                | 3.56%                |
| L. 10        | Average interest rate on all ST investments (ST and At Call)          | 1.20%               | 3.39%                | 2.35%                | 1.75%                |
| L. 11        | a. Average interest rate on all investments (excluding property fund) | 1.17%               | 3.48%                | 2.51%                | 1.90%                |
|              | b. Average interest rate on all investments (including property fund) | 1.49%               | 4.54%                | 4.22%                | 2.98%                |
| L. 12        | % daily bank balances within target range                             | 99%                 | 99%                  | 99%                  | 99%                  |

## Part 2 Annex 2 – Minimum Revenue Provision (MRP) Policy

Under the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2018, local authorities have a duty to produce an annual statement on its policy for making a minimum revenue provision (MRP).

For the financial year **2022/23** (no change to the policy in 2021/22) the authority will be adopting the following policies in determining the MRP:

1. For all existing capital expenditure balances within the Capital Financing Requirement (CFR) held as at 1 April 2022 MRP will be applied on an annuity basis with the write down period determined by asset lives up to the maximum allowable by the regulations set out above.
2. For all capital expenditure incurred from 1 April 2022 MRP will be applied on an annuity basis with the write down period determined by asset lives up to the maximum allowable by the regulations set out above.
3. The authority will treat the asset life as commencing in the year in which the asset first becomes operationally available. Noting that in accordance with the regulations the authority may postpone the beginning of the associated MRP until the financial year following the one in which the asset becomes operational, there will be an annual adjustment for Assets Under Construction.
4. If determined by the S151 Officer the annual instalment may be calculated by the equal instalment method or other appropriate methods dependant up on the nature of the capital expenditure.
5. In all years, the CFR for the purposes of the MRP calculation will be adjusted for other local authority transferred debt, finance lease and Private Finance Initiative (PFI).
6. The Section 151 officer shall on an annual basis review the level of MRP to be charged, as calculated as per paragraphs 1, 2 and 3 above to determine if this is at a level, which is considered prudent. The amount of MRP charged shall not be less than zero in any financial year.

## **Part 2 Annex 3 – Additional Disclosures Required Within Statutory Guidance on Local Government investments**

The updated statutory guidance on local government investments, which was issued in February 2018, identifies specific disclosures that the authority should identify within its Investment Strategy for all investments that it holds.

The required disclosures for investments held by the authority are set out below.

### **1. Types of Investment**

- 1.1 Investments made by local authorities can be classified into one of two main categories:
- Investments held for treasury management purposes
  - Other investments

### **2. Contribution of investments toward the service delivery objectives and / or the place making role of the local authority**

- 2.1 For each type of investment the disclosure guidelines require the authority to identify the contribution that the investments make. For Walsall's investments details of this contribution are set out below.

#### **Investments held for treasury management purposes**

The contribution that these investments make to the objectives of the local authority is to support effective treasury management activities, with the requirement to prioritise Security, Liquidity and Yield in that order of importance.

#### **Other Investments**

Details of all Other Investments that the authority holds, and the contribution that each makes to the service delivery objectives and / or the place making role of the local authority is set out below:

##### **i. Investment Properties**

The acquisition of the Saddlers Shopping Centre provided the Council with an opportunity to add to an existing but small investment portfolio. It is intended that further investment opportunities will be considered in the future following the completion of the review of the investment portfolio as part of the asset management improvement plan (asset management planning).

The potential income generation from The Saddlers Centre will provide additional revenue (after the capital is repaid) to the Council. However the acquisition of the Saddlers Centre was not undertaken solely for the purposes of supporting the Council's revenue position.

Likewise the redevelopment of the Old Square Shopping Centre represented significant movement towards the delivery of the Council's aspirations for the regeneration of St Matthew's Quarter. In particularly difficult market conditions for the retail sector, the redevelopment of the shopping centre improved Walsall's retail offer and helped to cement the town centre's position as an important sub-

regional centre. The new retail floorspace delivered through the first phase of the scheme provided over 4,100 sq metres/44,000 sq ft of floorspace for a new Primark store and over 900 sq metres/9,800 sq ft of floorspace for a new Co-op food store. These two new stores provided around 150 new jobs in the town centre, resulted annual business rate and rental income, and increased footfall and expenditure in the town centre, making it a more attractive destination for shoppers, retailers and other investors.

### 3. Use of Indicators

- 3.1 The disclosure guidelines require the authority to produce relevant indicators for investments to support the ability of the public to assess the level of risk exposure. These are provided below for Walsall’s investments.

#### Investments held for treasury management purposes

These investments are funded through the council’s cash balances. The authorities published Treasury Management and Investment Strategy already includes a range of Prudential and Local indicators that support the assessment of performance management and risk exposure in this area.

Additionally the disclosure guidelines recommend that the authority to also publish the following two indicators.

| Indicator                                   | Description   | Ratio (2022/23 Forecast) | Ratio (2023/24 Estimate) | Ratio (2024/25 Estimate) | Ratio (2025/26 Estimate) | Ratio (2026/27 Estimate) |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Debt to Net Service Expenditure (NSE) Ratio | Gross debt as a percentage of net service expenditure (where net service expenditure is a proxy for the size and financial strength of a local authority).                            | 1.92:1                   | 1.26:1                   | 1.44:1                   | 1.64:1                   | 1.71:1                   |
| Commercial income to NSE Ratio              | A measure of the authorities dependence on non-fees and charges income to deliver core services (where estimated fees and charges are netted off gross expenditure to calculate NSE). | 0.004:1                  | 0.004:1                  | 0.004:1                  | 0.004:1                  | 0.004:1                  |

#### Other Investments

For Other Investments, the disclosure guidelines also require the authority to provide relevant indicators only where these investments are funded by borrowing – again to allow for assessment against the associated additional debt servicing costs taken on. As such, for any ‘Other Investments’ held by Walsall that are funded in this way, relevant indicators are provided below.

i. Investment Property – Saddlers Centre

| Indicator   | Description  | Ratio (2021/22 Actual) | Ratio (2022/23 Forecast) |
|---|--|------------------------|--------------------------|
| Operating costs   | The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.                                       | £1.484m                | £2.262m                  |
| Vacancy levels and Tenant exposures for non-financial investments | Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is productive as possible. | 10 Units               | 13 Units                 |

**4. Security, Liquidity and Yield**

4.1 Prudent investments will consider security, liquidity and yield in that order with the underlying objectives being:

- **Security** – protecting the capital sum invested from loss
- **Liquidity** – ensuring the funds invested are available when needed
- **Yield** – once security and liquidity are determined it is then reasonable to consider what yield can be obtained

4.2 When entering into '**Investments held for treasury management purposes**' local authorities always consider security, liquidity and yield (in that order) and the authorities Treasury Management Policies clearly set out and support this requirement.

4.3 When entering into '**Other Investments**' local authorities should consider the balance between security, liquidity and yield based on their risk appetite and the contribution that the investment will make toward service delivery objectives and / or the place making role of the local authority.

**4.4 Security**

**Investments held for treasury management purposes**

All investments that the authority currently holds for treasury management purposes are defined as financial investments, and the authorities Treasury Management policies clearly define how credit worthiness and high credit quality will be determined. The policies also set out procedures for determining which categories of investment may be used, those which have already been defined as suitable for use, and the upper limits for investment with each counterparty / investment area.

**Other Investments**

All 'Other Investments' that the authority currently holds are defined as non-financial investments, which are non-financial assets that the authority holds primarily or

partially to generate a profit.

Where a local authority holds a non-financial investment, it will normally have a physical asset that can be realised to recoup the capital invested. As such the disclosure guidelines require authorities to consider whether the asset retains sufficient value to provide security of investment.

Therefore details for each of the 'Other Investments' held by the authority are set out below:

- i. Investment Property – Saddlers Centre  
A fair value assessment has been obtained within the past twelve months. This asset is now part of the Town Centre Master Plan.
- ii. Investment Property – Primark / Co-Op Shopping Units Development  
A fair value assessment has been obtained within the past twelve months. This shows that the underlying assets provide security for capital investment.

## **Risk Assessment of Investments**

### **Investments held for treasury management purposes**

The authorities Treasury Management policies clearly define how risk for these types of investment will be assessed, including details of external advisors that may be used, the use of credit ratings and how often these are reviewed and additional sources of information that will support the underlying assessment of risk that may be attributable to the investment.

### **Other Investments**

The way in which the Council manages other investments, including investment property and commercial activity is set out in detail within the Capital & Investment Strategy.

## **4.5 Liquidity**

### **Investments held for treasury management purposes**

For the Treasury Management investments held by the authority, the Treasury Management policies set out how the authority will determine the periods for which funds may be prudently committed and the maximum periods that will be utilised.

### **Other Investments**

For the Other Investments held by the authority, these are all currently Investment Properties. The Council recognises that if it requires access to its investment these assets can take a considerable period to sell in certain market conditions. Therefore these investments are all considered to be medium to long term, with a fair value assessment undertaken on an annual basis which is used to inform the point at which it may be prudent for the authority to consider selling assets and repaying any associated borrowing.

## **5. Proportionality**

- 5.1 The scale of the 'Other Investments' currently, or planned to be, held by the authority, and any assumed associated profit to be generated by these investments does not place the authority in a position where it is dependent on this activity to achieve a balanced revenue budget.

## **6. Borrowing In Advance of Need**

- 6.1 The councils Treasury management Strategy clearly sets out that it will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of such funds.

## **7. Capacity, Skills and Culture**

### **Knowledge & Skills**

- 7.1 The authorities Treasury Management activity is managed by a team of professionally qualified accountants, who actively undertake Continuous Professional Development (CPD) on an ongoing basis to keep abreast of new developments and develop additional skills. They also have extensive Local Government finance experience between them.
- 7.2 The Council's Section 151 Officer is the officer with overall responsibility for Treasury activities. They too are a professionally qualified accountant undertaking an ongoing CPD programme.
- 7.3 Any commercial projects that the council seek to enter into will also be supported by teams from all required professional disciplines from across the Council, and external professional advice will also be sought if needed.
- 7.4 Internal and external training is offered to members on an ongoing basis to ensure they have up to date skills to make commercial investment and treasury decisions.
- 7.5 The Council's Treasury Management Panel meet regularly to discuss treasury management performance, development of policy and identification of potential new investment products and the detail relating to them.
- 7.6 The knowledge and skills of officers and members are commensurate with the Council's risk appetite.

### **Commercial Activity and Governance**

- 7.7 The Council has a strong governance framework that goes beyond the regulatory codes. This includes a Treasury Management Panel (TMP) in addition to the Audit Committee and reporting to Cabinet and Council. The TMP is made up of senior council finance officers who meet to discuss treasury management performance, development of policy and identification of potential new investment products and the detail relating to them.
- 7.8 Due diligence is of paramount importance. All of the Councils commercial investments have individual business cases that are subject to thorough risk assessment. Where appropriate to the size and scale of the project independent technical and legal reviews will also be considered.

- 7.9 Ongoing performance monitoring for all commercial schemes is also undertaken and reported to relevant members and senior officers on a regular basis.
- 7.10 The Council also seeks to ensure that all commercial schemes are fully aligned with priority outcomes set out within the Corporate Plan.
- 7.11 Any decisions taken on commercial investments are supported by the approach to non-financial investments and risk assessment process set out within this Treasury Management and Investment Strategy, with any individuals involved in negotiation of commercial deals being made aware of these principles and the prudential and regulatory regime within which local authorities operate.

### **Other Useful Information**

8. Links to other documents that provide useful information in relation to the disclosures set out within this annex are set out below:

Walsall Council 2021/22 Statement of Accounts

Walsall Council 2023/24 Budget Plan with a summary of the 2023/24 capital programme outlined in **Part 1 section 3** of this budget plan. The summary of the draft capital programme over the plan period 2023/24 to 2026/27 is outlined at **Part 1 section 4**, with full details by scheme at **Part 1 Annex 9**.

Walsall Council 2023/24 Capital Strategy (see **Part 1 Annex 8** of this Budget Plan)



## Part 2 Annex 4 – Economic Background

**This Economic Commentary is based upon information provided by our Treasury Management Advisors – Link Group.**

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, Euro Zone and US 10-year yields all rising by over 200 basis points since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extraordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

|                          | <b>UK</b>                 | <b>Eurozone</b>           | <b>US</b>             |
|--------------------------|---------------------------|---------------------------|-----------------------|
| <b>Bank Rate</b>         | 3.5%                      | 2.0%                      | 4.25%-4.50%           |
| <b>GDP</b>               | -0.2%q/q Q3<br>(2.4%/y/y) | +0.2%q/q Q3<br>(2.1%/y/y) | 2.6% Q3<br>Annualised |
| <b>Inflation</b>         | 10.7%/y/y (Nov)           | 10.1%/y/y (Nov)           | 7.1%/y/y (Nov)        |
| <b>Unemployment Rate</b> | 3.7% (Oct)                | 6.5% (Oct)                | 3.7% (Nov)            |

Quarter 2 of 2022 saw UK GDP revised upwards to +0.2% quarter/quarter, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, Consumer Price Index (CPI) inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

Throughout Quarter 3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

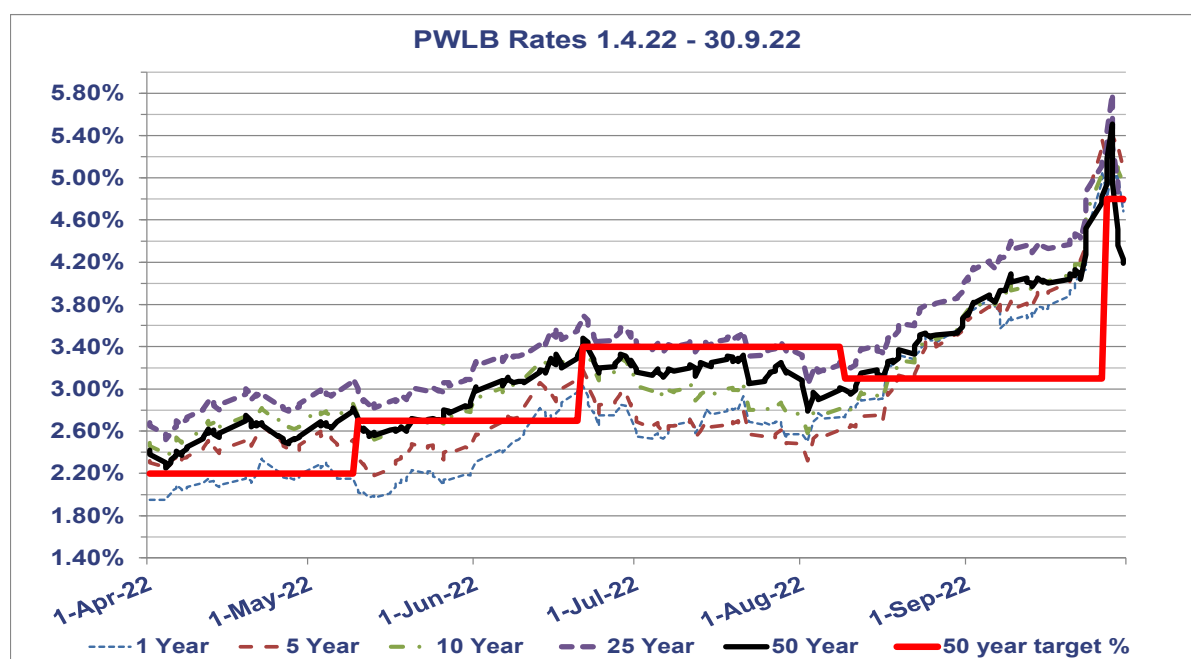
Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being

replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17<sup>th</sup> November gave rise to a net £55bn fiscal tightening, although much of the “heavy lifting” has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have almost completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government’s “fiscal event”, to \$1.22. Notwithstanding the £’s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28<sup>th</sup> September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

|                | 1 Year     | 5 Year     | 10 Year    | 25 Year    | 50 Year    |
|----------------|------------|------------|------------|------------|------------|
| <b>Low</b>     | 1.95%      | 2.18%      | 2.36%      | 2.52%      | 2.25%      |
| <b>Date</b>    | 01/04/2022 | 13/05/2022 | 04/04/2022 | 04/04/2022 | 04/04/2022 |
| <b>High</b>    | 5.11%      | 5.44%      | 5.35%      | 5.80%      | 5.51%      |
| <b>Date</b>    | 28/09/2022 | 28/09/2022 | 28/09/2022 | 28/09/2022 | 28/09/2022 |
| <b>Average</b> | 2.81%      | 2.92%      | 3.13%      | 3.44%      | 3.17%      |
| <b>Spread</b>  | 3.16%      | 3.26%      | 2.99%      | 3.28%      | 3.26%      |

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

## **CENTRAL BANK CONCERNS – DECEMBER 2022**

In December, the US Federal Bank decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

Having said that, the sentiment expressed in the press conferences in the US and the UK were very different. In the US, Federal Bank Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

## Part 2 Annex 5 – Glossary of Terms

| TERM                  | DEFINITION   |
|-----------------------|--|
| Authorised Limit      | Level of debt set by the council that must not be exceeded.  |
| Bond                  | A government or public company's document undertaking to repay borrowed money usually with a fixed rate of interest.   |
| Borrowing             | Obtaining money for temporary use that has to be repaid.   |
| Capital expenditure   | Expenditure on major items e.g. land and buildings, which adds to and not merely maintains the value of existing fixed assets.   |
| Capital grants        | Specific targeted grants to cover capital expenditure.   |
| Capital receipts      | The proceeds from the disposal of land or other assets. Capital receipts can be used to fund new capital expenditure but cannot be used to finance revenue expenditure   |
| Cash flow Management  | The management of the authority's receipts and payments to ensure the authority can meet its financial obligations.  |
| CIPFA                 | The chartered institute of public finance and accountancy  |
| Counter party limits  | Maximum amount that the council may lend to other institutions will vary according to size and credit rating of other intuitions.  |
| Dividends             | Sum to be payable as interest on loan.   |
| DLUHC                 | Department of Levelling Up, Housing and Communities (DLUHC)  |
| ECB                   | European Central Bank  |
| EU                    | European Union   |
| GDP                   | Gross Domestic Product – the total market value of all final goods and services produced in a country in a given year, equal to total consumer investment and government spending, plus the value of exports minus the value of imports.                     |
| Investments           | The employment of money with the aim of receiving a return.  |
| Liquidity             | How easily an asset including investments may be converted to cash.  |
| Long Term Borrowing   | Borrowing of money for a term greater than one year.   |
| Long Term Liabilities | Amounts owed by the council greater than 12 months old.  |
| Market convention     | The rules and regulations by which all brokers and dealers should abide by. It includes standards of practice and calculation conventions for interest. They are defined in the London Code of Conduct ("The London Code") published by the Bank of England. |

| TERM                      | DEFINITION  |
|---------------------------|---|
| MPC                       | Monetary Policy Committee – group that sets the bank base rate for the Bank of England  |
| OLA                       | Other Local Authorities   |
| Temporary borrowing       | Borrowing of money for a term of up to 365 days.  |
| Treasury management       | The management of the local authority’s cash flows, its borrowings and its investments, the management of associated risks, and the pursuit of the optimum performance or return consistent with those risks. |
| Treasury Policy Statement | A statement of key policies that an organisation follows in pursuit of effective treasury management, including borrowing limits and strategy.  |
| Variable debt             | This is money that has been borrowed at a variable interest rate, and as such is subject to interest rate changes.  |
| Unsupported borrowing     | Borrowing taken through the remit of the Prudential Code for which the council will not receive any government funding and will fund from own resources.  |

## **Section B - Part 2 – Treasury Management**

### **B: Treasury Management Policy Statement**

The CIPFA Code recommends that authorities should:

- i. Put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- ii. Policies and practices should make clear that the effective management of risk, having regard to return, is a prime objective of the treasury management activities.
- iii. Acknowledge that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, the treasury management policies and practices should reflect this.

In order to do this, the Council should once again adopt a treasury management policy statement as shown below and create and adopt treasury management practices (TMPs):

- A treasury management policy statement, stating policies and objectives of its treasury management activities.
- Suitable TMPs, setting out the manner in which the council will seek to achieve those policies and objectives, prescribing how the council will manage and control those activities.
- The contents of the policy statement and TMPs will follow the recommendations contained in section 6 and 7 of the Code, subject only to amendment where necessary to reflect this council's particular circumstances.

There are amendments to the responsible posts under delegated powers which reflect changes to the staffing structure of the finance service.

## **THE TREASURY MANAGEMENT PRACTICES 2022/23 & 2023/24 ONWARDS**

**Walsall Council** defines its treasury management activities as:

“The management of the organisation’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.”

**Walsall Council** regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

**Walsall Council** acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principle of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

### **TREASURY MANAGEMENT FUNCTION**

The approved activities of the treasury management function are as follows:

#### **Activities:**

- Borrowing
- Investment of temporary surplus funds and other balances
- Setting and reviewing the treasury management strategy
- Cash flow management
- Management of schools investments
- Management of debt and investments, including rescheduling, management of interest rate exposure and maturity profile management

#### **High Level Policies for Borrowing and Investment**

The Treasury Management Strategy sets out the detailed policies that the organisation will follow in operating its treasury management function. The high level policies set out within the strategy that relate to borrowing (section 4.4 of the strategy) and investments (section 5.5 of the strategy) are as follows:

## **Borrowing Strategy Objectives**

Walsall Councils borrowing objectives are:

- To minimise the revenue costs of debt whilst maintaining a balanced loan portfolio
- To manage the council's debt maturity profile, ensuring no single future year has a disproportionate level of repayments
- To maintain a view on current and possible future interest rate movements and borrow accordingly
- To monitor and review the balance between fixed and variable rate loans against the background of interest rate levels and prudential indicators.

## **Investment Strategy Objectives**

The underlying policy objective for Walsall Council is for the prudent investment of its treasury balances. The council's investment priorities are:

- The security of capital
- Liquidity of its investments
- All investments will be in sterling
- The council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

## **TREASURY MANAGEMENT PRACTICES**

### **TMP 1 – TREASURY RISK MANAGEMENT**

The S151 Officer shall:

- Ensure that appropriate arrangements are in place for the design; implementation and monitoring of all arrangements related to the identification, management and control of treasury management risk.
- Report at least annually on the adequacy/suitability thereof, and report as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the council's objectives in this respect.
- In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives will be set out in schedules.

### **Liquidity**

Objective: Adequate but not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable the council at all times to have the level of funds available which are necessary for the achievement of its service objectives.

### **Interest Rates**

Objective: Management of the council's exposure to fluctuations in interest rates with a view to containment of its net interest costs.

### **Exchange Rates**

Objective: Management of the council's exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.



## **Inflation**

Objective: Control of exposure to the effects of inflation, in so far as they can be identified as impacting on treasury management activities.

## **Credit and Counterparties**

Objective: To secure the principal sums invested over the period of the investment. A counterparty list will be maintained and the named organisations and limits will reflect a prudent attitude towards organisations with whom funds may be deposited.

## **Rescheduling and refinancing of Debt**

Objective: All borrowing, private financing and partnership arrangements will be negotiated, structured and documented. The maturity profile of debt will be managed with a view to obtaining terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

Relationships with counterparties in these transactions will be managed in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

## **Legal and Regulatory**

Objective: Compliance with statutory powers and regulatory requirements for all treasury management activities. The council will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities.

In framing its credit and counterparty policy under TMP1 - *Credit and Counterparty risk management*, the council will ensure that there is evidence of counterparties powers, authority and compliance in respect of the transactions they may affect with the organisation, particularly with regard to duty of care and fees charged.

The council will seek to minimise the impact of future legislative or regulatory changes on its treasury management activities so far as it is reasonably able to do so.

## **Fraud, Error and Corruption, and Contingency Management**

Objective: Identification of circumstances which may expose the council to the risk of loss through fraud, corruption or other eventualities in its treasury management dealings. Employ suitable systems and procedures and maintain effective contingency management arrangements.

## **Market Risk**

Objective: Protection from adverse market fluctuations in the value of the principal sums invested over the period of the investment.

## **Additional Level Risk / Reward**

Objective: to ensure that the risk/ reward balance is appropriate and consistent with the risk appetite of the council the following aims are managed;

- to have a large proportion of debt on fixed rates to provide stability.
- to have investments over a range of period lengths
- to use UK highly rated banks or strong building societies
- to obtain a fair return without any undue risk.

## **Environmental, Social and Governance Risk Management (ESG)**

The revised CIPFA Treasury Management Code and Prudential Code issued in December 2021 require that authority's credit and counterparty policies reflect any corporate ESG policies. The authority has not yet set out a corporate ESG policy and Treasury Management Policies will be further reviewed and updated at the time that any corporate ESG policy is developed, to ensure that they are reflective of that.

## **Credit and Counterparty Risk Management**

The Head of Finance – Technical & Transactional will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 - Reporting Requirements and Management Information Arrangements.

Credit and counter-party risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

This organisation regards a key objective of its treasury management activities to be the security of the principal sums it invests over the period of the investment. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 - Approved Instruments Methods and Techniques. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

## **Policy on the use of credit risk analysis techniques**

- a. The council will use credit criteria in order to select creditworthy counterparties for placing investments with.
- b. Credit ratings will be used as supplied from rating agencies – Fitch, Moody's and S&P.
- c. Treasury management advisors will provide regular updates of changes to all ratings relevant to the council.
- d. The Head of Finance – Technical & Transactional and Finance Manager – Technical Accounting, Treasury Management & Education, as responsible officers, will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising maturity periods, type, group, sector, country and counterparty limits.

The primary credit rating agencies Primary Credit Rating Scales, which are used, are shown below.

|                      | Moody's   |            |           | S&P       |            |     |     | Fitch     |            |    |       |
|----------------------|-----------|------------|-----------|-----------|------------|-----|-----|-----------|------------|----|-------|
|                      | Long Term | Short Term |           | Long Term | Short Term |     |     | Long Term | Short Term |    |       |
| Investment Grade     | Aaa       |            |           | AAA       |            |     |     | AAA       |            |    |       |
|                      | Aa1       |            |           | AA+       |            |     |     | AA+       |            |    |       |
|                      | Aa2       |            |           | AA        |            |     |     | AA        |            |    |       |
|                      | Aa3       |            |           | AA-       |            |     |     | AA-       |            |    |       |
|                      | A1        |            |           | A+        | A-1+       |     |     | A+        | F1+        |    |       |
|                      | A2        |            |           | A         |            |     |     | A         |            |    |       |
|                      | A3        | P1         |           | A-        |            | A-1 |     | A-        |            | F1 |       |
|                      | Baa1      |            |           | BBB+      |            |     |     | BBB+      |            |    |       |
|                      | Baa2      |            | P2        | BBB       |            |     | A-2 | BBB       |            |    |       |
|                      | Baa3      |            |           | BBB-      |            |     |     | BBB-      |            |    | F2 F3 |
| Non-Investment Grade | Ba1       |            |           | BB+       |            |     |     | BB+       |            |    |       |
|                      | Ba2       |            |           | BB        |            |     |     | BB        |            |    |       |
|                      | Ba3       |            |           | BB-       |            | B   |     | BB-       |            |    |       |
|                      | B1        |            |           | B+        |            |     |     | B+        |            |    |       |
|                      | B2        |            |           | B         |            |     |     | B         |            |    |       |
|                      | B3        |            |           | B-        |            |     |     | B-        |            | B  |       |
|                      | Caa       |            |           | CCC       |            |     |     | CCC       |            |    |       |
|                      | Ca        |            |           | CC        |            |     |     | CC        |            |    |       |
|                      | C         |            |           | C         |            | C   |     | C         |            | C  |       |
|                      |           |            | Not Prime |           |            |     | D   |           |            |    | D     |
|                      |           |            |           | D         |            | D   |     | D         |            | D  |       |

The minimum credit ratings within these scales that the authority would expect for individual counterparties are set out below.

| Minimum ratings | Moody's | S&P | Fitch |
|-----------------|---------|-----|-------|
| Short term      | P3      | A-3 | F2    |
| Long term       | A3      | A-  | A-    |

Credit ratings for individual counterparties can change at any time. The Head of Finance – Technical & Transactional and the Finance Manager – Technical Accounting, Treasury Management & Education are responsible for applying approved credit rating criteria for selecting approved counterparties. Treasury management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on the criteria for selection of counterparties, and with the approval of either the Head of Finance – Technical & Transactional or Finance Manager – Technical Accounting, Treasury Management & Education.

- e. This organisation will not rely solely on credit ratings in order to select and monitor the creditworthiness of counterparties. In addition to credit ratings it will therefore use other sources of information including;
- The quality financial press
  - Market data
  - Information on government support for banks and the credit ratings of that government support
  - The maximum maturity periods and investment amounts relating to Approved Investment Counterparties are set out below:

| <b>Organisation</b>                   | <b>Criteria</b>  | <b>Max Amount</b>                                | <b>Max Period</b>    |
|---------------------------------------|--|--|----------------------|
| Banks and Nationwide Building Society | Minimum Ratings as defined above in paragraph d.   | £25m in total with fixed term not exceeding £15m | 3 years              |
| Building Societies                    | Following an individual financial assessment must have a minimum Free Capital Ratio above that set out by Common Equity Tier 1 (CET1) and have at least one credit rating as defined above in paragraph d. | £10m   | 3 years              |
|                                       | Following an individual financial assessment must have a minimum Free Capital Ratio no lower than that set out by Common Equity Tier 1 (CET1)  | £7m  | 3 years              |
| Challenger Banks                      | Following an individual financial assessment must have a minimum Free Capital Ratio no lower than that set out by Common Equity Tier 1 (CET1), and must be a retail bank.                                  | £15m   | 3 years              |
| Money Market Funds                    | AAA long-term rating backed  | £15m   | 3 years              |
| Property Funds                        | Subject to individual financial assessment of each fund to identify the underlying financial strength  | £30m   | Review every 5 years |
| Multi-Asset Investment Funds          | Subject to individual financial assessment of each fund to identify the underlying financial strength  | £20m   | 5 years              |
| Non UK Banks                          | Minimum Ratings as defined above in paragraph d.   | £10m   | 1 year               |
| Local Authorities                     | Subject to individual financial assessment of each fund to identify the underlying financial strength  | £15m   | 3 years              |

|                      |  |      |         |
|----------------------|--|------|---------|
| Housing Associations | Subject to individual financial assessment of each fund to identify the underlying financial strength and credit ratings where available | £15m | 3 years |
| Other                | Subject to appropriate case by case review   | £10m | N/A     |

- f. In defining the level and term of deposits significant regard is given to the proportion of the institution in government ownership.
- g. Following the changes to the Banking Regulation the council will consider when assessing the financial resilience of an institution key ratios e.g. common equity tier 1, leverage capital / exposure, liquidity coverage, net stable funding.

**Notes:**

- The definition of ‘high credit quality’ is also used to determine what are specified investments as opposed to non-specified investments. Specified investments are those that require minimum procedural formalities in terms of the placing of the investment by the treasury management team. Minimal procedural formalities means that the team is well experienced and knowledgeable in using these types of instruments and they pose minimal risk in their use.
- Other i.e. non-specified investments may be undertaken on the approval of the S151 Officer e.g. loans to other organisations and bond issues by other public sector projects and will be supported with appropriate rationale and due diligence to support investment security considerations. These may be for a duration longer than 3 years.
- For a credit rated bank to be on the council’s counter party list the criteria must be passed for at least 2 of the credit ratings agencies.
- Full Individual Listings of Counterparties and Counterparty Limits are available on request and reported regularly to the Treasury Management Panel.

**Local Authority Mortgage Scheme (LAMS)**

Cabinet agreed to adopt the LAMS scheme on 24 October 2012. It involved the Council placing a matching five year deposit to the life of the indemnity. As of 31 July 2016 the LAMS scheme was closed to new applications following a slowdown in national activity, partly due to the introduction of the Help to Buy Guarantee scheme.

The LAMS deposit was repaid in February 2018, however there remains a residual risk of liability for the authority for a period of up to 5 years from the point of the last mortgage being taken out. Therefore any remaining risk will end by February 2023 allowing the scheme to be fully closed, and any reference removed from the Treasury Management Strategy following that point.

**Authorisation of Payments**

In order to support and maintain strong controls for the release of payments. A payment releasers register is maintained. It includes the names and post titles of officers authorised to sign financial documents releasing payments including cheques requiring manual signature and bank mandates. The payments releasers register is reviewed regularly and is approved by the S151 Officer or the Director of Finance, Corporate Landlord and

Performance.

The Invoice / Payments Authorisation process is regulated by the financial and contract rules. Limits and authorised officers are maintained in the authorised signatory's data base.

## **TMP 2 – BEST VALUE AND PERFORMANCE MEASUREMENT**

The council actively works to promote value for money and best value in its treasury management activities. The treasury management function will be the subject of regular reviews to identify scope for improvement. In addition annual benchmarking is undertaken to measure performance and to ensure that relative to other councils the council is achieving a fair investment return without any undue risk.

## **TMP 3 – DECISION MAKING AND ANALYSIS**

Full records will be maintained of treasury management decisions, and of the processes and practices applied in reaching those decisions, to demonstrate that reasonable steps have been taken to ensure that all issues relevant to those decisions were taken into account.

## **TMP 4 – APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

Only approved instruments, methods and techniques will be used, within the limits defined in TMP1 – Risk Management.

### **Sources of Borrowing**

There shall be no restriction in principle on sources or methods of borrowing other than those imposed by law. The sources or methods of borrowing at any time will be determined by the current approved treasury management strategy.

### **Other Sources of Finance**

The S151 Officer shall arrange operating leases and similar arrangements for items of equipment, vehicles, etc. where the acquisition or use of such items has been approved in line with the council's contract and rules.

### **Approved Organisations for Investments**

The S151 Officer shall approve and revise from time to time, a list of organisations within the statutory definitions of approved investments, which would be eligible to receive investments from the council. Apart from the Government, and, in any emergency, the council's own bank, the maximum limit for investment with any single organisation shall be £25 million and the maximum period for investment shall be 3 years in accordance with each individual institution's credibility. The only exceptions to this are the approved investment in the LAMS scheme where the planned period of the investment was 7 years, and any investment in a Property Fund maximum limit shall be £30 million and will be reviewed on 5 year intervals. This should be reviewed at least monthly and incorporate any changes in ratings of counter parties.

### **Interest Rate Exposure**

The limits on temporary borrowing and the proportion of interest at variable rates are set by Council, in accordance with Section 45 of the Local Government & Housing Act 1989.

## **TMP 5 – ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES AND DEALING ARRANGEMENTS**

Treasury management activities will be properly structured in a clear and open fashion and a rigorous discipline of segregation of duties will be enforced to ensure effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions and audit of the treasury management function.

If and when the council intends, due to a lack of resources or other circumstance, to depart from these principles, the S151 Officer will ensure that the reasons are properly reported in accordance with **TMP6** - Reporting Requirements and Management Information Arrangements and the implications properly considered and evaluated.

- The S151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management and the arrangements for absence cover.
- The S151 Officer will ensure that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

The delegations to the S151 Officer in respect of treasury management are set out in the Constitution. The S151 Officer will fulfil all such responsibilities in accordance with the Policy Statement and TMP's and the Standard of Professional Practice on Treasury Management. This includes, but not exclusively, the following activity.

| <b>Activity</b>   | <b>Prepared by</b>  | <b>Delegation / Accountability</b>          |
|---|---|---|
| Approval of Treasury Management and Investment Strategy   | Director of Finance, Corporate Landlord and Performance / S151 Officer  | Cabinet Council                             |
| Approval of Treasury Management Policies  | Director of Finance, Corporate Landlord and Performance /S151 Officer   | Cabinet Council                             |
| Amendments to authorised officers and officer limits set out within the treasury management practices | Head of Finance – Technical & Transactional / Finance Manager – Technical Accounting, Treasury Management & Education | S151 Officer                                |
| Review the debt portfolio and reschedule loans when considered appropriate                            | Finance Manager – Technical Accounting, Treasury Management & Education   | S151 Officer                                |
| Updates to TM Practices   | Head of Finance – Technical & Transactional / Finance Manager – Technical Accounting, Treasury Management & Education | S151 Officer                                |
| Undertake budget monitoring and initiate actions when necessary                                       | Finance Manager – Technical Accounting, Treasury Management & Education   | Head of Finance – Technical & Transactional |

|   |   |   |
|---|---|---|
| Authorisation of loan interest payments   | Treasury Management Accountancy Assistant                               | Finance Business Partner - Treasury   |
| Approval of overnight investments   | Treasury Management Accountancy Assistant                               | Finance Business Partner - Treasury   |
| Preparation of borrowings documentation   | Treasury Management Accountancy Assistant                               | Finance Business Partner - Treasury   |
| To arrange borrowing from time to time for the council's purposes. Sources of funds will comprise temporary loans, loans from PWLB, other mortgages and bonds, money bills, bank overdraft and internal funds of the council, subject to any restrictions which may be made by statute, Council or Cabinet  | Finance Manager – Technical Accounting, Treasury Management & Education | S151 Officer or Director of Finance, Corporate Landlord and Performance   |
| Maintain Payment Releasers Register   | Finance Business Partner - Treasury                                     | S151 Officer or Director of Finance, Corporate Landlord and Performance   |
| To arrange finance and operating leases as required in accordance with council's capital programme  | Finance Manager – Technical Accounting, Treasury Management & Education | S151 Officer or Director of Finance, Corporate Landlord and Performance   |
| To invest council funds temporarily not required in accordance with the statutory provisions regulating approved investments as defined in Section 66 of the Local Government and Housing Act 1989, subject to any restrictions which may be made by statute, by Council or by Cabinet  | Treasury Management Accountancy Assistant                               | Finance Business Partner - Treasury   |
| To maintain a counter party list of approved organisations eligible to receive council investments, this involves; <ul style="list-style-type: none"> <li>- ongoing monitoring of ratings on investment products and institutions.</li> <li>- Investigation and appraisal of free capital ratio measures</li> <li>- signing off by the treasury manager as evidence of a monthly review and mid-month changes if necessary.</li> </ul> if ratings change for an investment product or institution currently held then actions for a | Finance Business Partner - Treasury                                     | Head of Finance – Technical & Transactional / Finance Manager – Technical Accounting, Treasury Management & Education<br><br>or<br><br>S151 Officer dependent on limits set by TMP on exit strategy |



|  |  |   |
|--|--|---|
| possible exit of that strategy are undertaken as approved by the Treasury Management Panel |  |   |
| Daily cash flow forecast   | Treasury Management Accountancy Assistant        | Finance Business Partner - Treasury   |
| Update loan records  | Treasury Management Accountancy Assistant        | Finance Business Partner - Treasury   |
| Operational Cash Flow  | Finance Business Partner - Treasury              | Head of Finance – Technical & Transactional / Finance Manager – Technical Accounting, Treasury Management & Education / Finance Business Partner - Treasury |
| Audit and control review and improvements Recommendations implementations                  | Internal Audit / All                             | Finance Business Partner - Treasury   |
| Annual MRP Policy review   | Senior Accountancy Officer – Financial Reporting | Head of Finance – Technical & Transactional / Finance Manager – Technical Accounting, Treasury Management & Education / Finance Business Partner - Treasury |
| Maintain accurate up to date information on Treasury Management                            | Treasury Management Accountancy Assistant        | Finance Business Partner - Treasury   |

### **TMP 6 – REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

Regular reports will be prepared for consideration by Council on:

- Annual report on treasury management activities for the preceding year
- Treasury management strategy for the year, reviewed at least once during the year
- Regular monitoring reports on prudential and local indicators are prepared for the Treasury Management Panel.

| <b>Report</b>   | <b>Frequency</b> | <b>When</b>        | <b>Prepared by</b>                          | <b>To</b>           |
|---|------------------|--------------------|---|---------------------|
| Review of Treasury Management Strategy (TMS) and Treasury Management Policies | Annual           | February/<br>March | Head of Finance – Technical & Transactional | Cabinet and Council |

|                                   |                      |                    |   |  |
|-----------------------------------|----------------------|--------------------|---|--|
| TMS – material changes            | Immediately          | As required        | Head of Finance – Technical & Transactional / Finance Manager – Technical Accounting, Treasury Management & Education     | Cabinet and Council  |
| Treasury Management Annual Report | Annual               | September          | Head of Finance – Technical & Transactional   | Cabinet and Council  |
| Mid-Year Report                   | Annual               | December           | Head of Finance – Technical & Transactional   | Cabinet and Council  |
| TM budget monitoring              | Quarterly<br>Monthly | Jul, Oct, Jan, Apr | Finance Business Partner – Treasury (reviewed by Finance Manager – Technical Accounting, Treasury Management & Education) | S151 Officer, Treasury Management Panel, Director of Finance, Corporate Landlord and Performance for inclusion in overall corporate financial monitoring reports to CMT and Cabinet which are first reviewed by the S151 Officer |
| TM performance indicators         | Quarterly<br>Monthly | Jul, Oct, Jan, Apr | Finance Business Partner – Treasury (reviewed by Finance Manager – Technical Accounting, Treasury Management & Education) | S151 Officer, Treasury Management Panel, Director of Finance, Corporate Landlord and Performance for inclusion in overall corporate financial monitoring reports to CMT and Cabinet which are first reviewed by the S151 Officer |

|                                 |           |  |   |   |
|---------------------------------|-----------|--|---|---|
| Cashflow summary                | Monthly   |  | Finance Business Partner – Treasury   | Finance Manager – Technical Accounting, Treasury Management & Education |
| Borrowing transactions          | Monthly   |  | Finance Business Partner – Treasury   | Finance Manager – Technical Accounting, Treasury Management & Education |
| Payment Releasers Register      | Quarterly |  | Finance Business Partner – Treasury   | S151 Officer, Director of Finance, Corporate Landlord and Performance   |
| Operational Investment Strategy | Quarterly |  | Finance Business Partner – Treasury   | Finance Manager – Technical Accounting, Treasury Management & Education |
| 12 monthly cashflow             | Quarterly |  | Finance Business Partner – Treasury   | Finance Manager – Technical Accounting, Treasury Management & Education |
| Government statistical returns  | Monthly   |  | Finance Manager – Technical Accounting, Treasury Management & Education / Finance Business Partner – Treasury | Department for Communities and Local Government                         |
| Daily cash balance forecast     | Daily     |  | Treasury Management Accountancy Assistant   | Finance Business Partner – Treasury                                     |

### **TMP 7 – BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

The S151 Officer will prepare an annual treasury management budget which will bring together all costs involved in running the treasury management function and associated income. This will be presented to Cabinet and Council and is approved as part of the Treasury Management and Investment Strategy.

The council will account for its treasury management activities in accordance with appropriate accounting practices, standards and statutory and regulatory requirements.

The council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

In line with market convention loans office staff, when dealing, are required to commit the council to terms of borrowing and investment transactions by telephone. Although these transactions are not legally binding until confirmed in writing, if subsequently dishonoured, this may damage the council's reputation. Electronic funds transfer requires the involvement of three officers, at least one of whom shall be on the payment releasers register.

### **TMP 8 – CASH AND CASH FLOW MANAGEMENT**

All council monies will be under the control of the S151 Officer. Funds that are available within all council monies to support treasury management purposes are identified and Cash flow projections in relation to these funds are prepared on a regular and timely basis and the S151 Officer will ensure that these are adequate for the purposes of monitoring compliance with **TMP1** Liquidity risk management.

### **TMP 9 – MONEY LAUNDERING**

Procedures will be enforced for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staffs involved in this area are properly trained.

As a responsible public body, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly the council undertakes a number of safeguards including the following;

- a. evaluates the prospect of laundered monies being handled by them
- b. determine the appropriate safeguards to be put in place
- c. require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- d. make all its staff aware of their responsibilities under Proceeds of Crime Act (POCA) 2002

In respect of treasury management transactions, there is a need for due diligence. The Council will only invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The register can be accessed through the Financial Conduct Authority website.

All transactions will be carried out by BACS or Chaps for making deposits or repaying loans.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000.

## **TMP 10 – MONEY LAUNDERING**

The council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. An annual review of treasury staff capacity, training needs and experience will be undertaken and reported to the Treasury Management Panel along with a register of all training completed by Council Officers involved in treasury management processes of the Council. Specific training for councillors will be provided and undertaken as required.

## **TMP 11 – USE OF EXTERNAL SERVICE PROVIDERS**

When external service providers are employed, the S151 Officer will ensure it does so for reasons which have been subjected to a full evaluation of the costs and benefits. The terms of appointment and the methods by which service providers' value will be assessed will be properly agreed and documented.

The council does not currently require external investment managers, but recognises it may do so in the future for general or specific advice on a range of matters. These future services would be procured using the council's prevailing regulations relating to obtaining supplies and services. The council employs external treasury advisors to provide economic outlooks and information relevant to making robust investment and borrowing decisions.

## **TMP 12 – CORPORATE GOVERNANCE**

This authority is committed to the pursuit and achievement of proper corporate governance throughout its business and services and to establish principles and practices by which this can be achieved. Accordingly the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The council has adopted and has implemented the key recommendations of the CIPFA Code. The S151 Officer will monitor and when necessary, report upon the effectiveness of these arrangements to Cabinet.

A forum for the monitoring of Governance arrangements is the Treasury Management Panel. The Treasury Management Panel meets quarterly chaired by the S151 Officer or (in the absence of the S151 Officer) the Director of Finance, Corporate Landlord and Performance (deputy S151 Officer). It will receive reports on the monitoring of Prudential and Local Indicators and approve drafts of strategy and policy cabinet/council reports. It will also initiate work and projects to further ensure strong compliance of internal controls and effective treasury performance.

### **Sherbourne Recycling Limited (SRL)**

Sherbourne Recycling Ltd, which will provide a regional mixed recycling facility, was incorporated on 1 April 2021 as a company limited by shares. The shareholders of this company are eight local authorities including Walsall Council. The council has a shareholding of 19.66% of the company and is the second largest shareholder. The other shareholders are Coventry City Council, Solihull Metropolitan Borough Council, Stratford on Avon District Council, Warwick District Council, Rugby Borough Council, Nuneaton &

Bedworth Borough Council and North Warwickshire Borough Council.

The regional materials recycling facility is currently within the build phase of the project and is due to become operational during 2023. To obtain governance during the build phase the Council holds a director post within the company which sits on the Board. In addition to meetings of the board, there is a Finance Sub-Group which meets twice a year to feedback timescales, issues and updates on the projected timeframe for opening the facility.

There is an approved loan facility of £11.264m between Sherbourne Recycling Limited and the council and whenever SRL require funds they send a loan drawdown notice requesting funds which gets approved and then paid.

The Regional Materials Recycling Facility Capital Project is monitored monthly and reported to the following:

- EE&C Capital Programme/Projects Board meeting which meets quarterly and is chaired by Director, Place & Environment with the other Directors and Heads of Service within EEC attending
- Overview and Scrutiny Committee Corporate Financial Performance - Quarterly
- Head of Finance Meetings - Monthly
- Cabinet Corporate Financial Reporting - Quarterly

As the project is currently in the implementation phase the post go live governance processes are currently being developed to ensure appropriate oversight and reporting to partners once in operation (and this TMP will be updated to reflect that once approved).

### **Birmingham Airport Holdings Limited (BAH)**

The seven West Midlands local authorities own 49% of BAH's 320 million ordinary shares of £0.01 each. The council owns 4.88% of these shares. The other shareholders are Airport Group Investments Limited (48.35%) and an employee share trust (2.75%). In addition the seven West Midlands authorities own all of BAH's 6.31% preference shares, of which Walsall Council owns 9.95%. These are cumulative and irredeemable.

The Council monitors its investment and governance processes through its membership on the West Midlands Airport Shareholder Committee, by its nominated Councillor. The Leader of the Council is also a Director of Birmingham Airport Holdings Ltd.

## Cabinet – 8 February 2023

### Payments System Contract Award

**Portfolio:** Councillor M.A. Bird, Leader of the Council

**Related portfolios:** All

**Service:** Transformation & Digital, Digital and Technology Services

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### 1. Aim

- 1.1 To ensure that the Council has a system to receive payments (Payment Service) in place that is fit for purpose and continues to offer secure, compliant payment services to its customers.

#### 2. Summary

- 2.1 The Council's current contract with Capita for a Payment Service system, associated financial services, software and products expires on 31 May 2023.
- 2.2 The award of this contract is a key decision as the total contract will be significant, potentially rising to approximately over £2,000,000 during the contract life.
- 2.3 The technology included in this contract will enable the Council to continue to offer customers' secure, compliant methods of payment. It will also, streamline the number of Payment Service systems that take payments and reduce complexities for customers when making payments to the Council for goods and services.

#### 3. Recommendations

- 3.1 That following consideration of this report Cabinet approves the award of a contract for the provision of a Payment Service for the seven-year period from 01 June 2023 to 31 May 2030 with an anticipated value in the region of £2,038,000 to Capita Plc as described in paragraphs 4,7, 7.2 and 7.3.
- 3.2 That Cabinet delegate authority to the Executive Director of Resources and Transformation to enter into a contract and to subsequently authorise the

signing of any associated contracts or other related documents.

- 3.3 That Cabinet authorise the signing of this contract underhand as due to the nature of the services provided it is unlikely the Council would benefit from 12 years of protection under seal.
- 3.4 That Cabinet delegate authority to the Executive Director of Resources and Transformation, to authorise any variations to the contractual arrangements or other related documents for such services should this be required throughout the duration of the term of any contracts and provided they are in line with the Council's Contract Rules and any relevant legislation, including Public Contract Regulations 2015.

#### **4. Report detail - know**

##### **Context**

- 4.1 The Council currently has multiple payment methods supported by different methods of payment including online, chip and pin, assisted telephone payments and self-service automated telephone payments. Payments are supported by multiple gateway systems due to the absence of a standardised procurement process.
- 4.2 The Council also has multiple Payment Service systems; the Recommendation to Award Report that supported the contract award to Capita in May 2021, recommended that "we look to reduce complexity by contracting with a single Payment Service system to provide a Payment Platform Service in future which can also deliver Income Management capability."
- 4.3 Capita provides the Council's main Payment Service system and currently provides a range of Automated Financial Processing services and equipment including, Chip & Pin devices, telephone and web payment authorisations.
- 4.4 Streamlining the number of Payment Service systems has key benefits such as long-term cost saving achieved through negotiating competitive rates with a single supplier; provision of the latest financial processing digital technology which will support both the Council's Digital and Customer Experience Strategies.
- 4.5 Capita can supply the required goods/services within the Council's timescales.
- 4.6 The Council has made a significant investment to support replacing legacy payment system components over the last few years. To change to a new supplier and software at any time in the near future would introduce technical incompatibility between existing services and other supplier systems. This could potentially lead to disproportionate technical difficulties with implementation and operation.
- 4.7 The initial term of the proposed contract between the Council and Capita Business Services Limited will be five years. There will also be a provision for



the parties to agree and implement two, 12-month extension periods following the expiry of the initial five year term.

## **5. Council Plan priorities**

- 5.1 Digital and Technology Services (DaTS) is an internal underpinning support service which is integral to all areas of the Council delivering its services to citizens. DaTS will enable the Council to deliver upon its priorities set out in the Council Plan.

## **6. Risk management**

- 6.1 The risks associated with entering into this contract are minimal; the majority of the software licence subscriptions can be increased on a monthly basis and decreased on an annual basis.

## **7. Financial implications**

- 7.1 Provision for revenue funding has been made in the medium-term financial outlook; DaTS will work closely with the Head of Finance to ensure any increases or decreases are flagged at the earliest available opportunity.
- 7.2 At the time of presenting this report to Cabinet the total contract value over 7 years is likely to be approximately £2,032,781.66 comprising of fixed costs of £221,279.31 and variable costs of £1,811,502.35. However, it is anticipated that additional software licences and services may be added into the contract during the initial 5-year term and subsequent extension periods.
- 7.3 All 'Merchants', including the Council, are liable to pay Transactional Costs for every card transaction processed. This is a variable cost that is included in Capita's service costs and as such, the final contract value of these costs can only be estimated.

## **8. Legal implications**

- 8.1 As the proposed procurement from Capita is via a compliant Framework Agreement which the Council is permitted to use, the contract is not subject to the Council's Contract Rules and the legal implications associated with the proposed contract do not raise any significant issues. The risk of any legal challenge materialising is very low and the Council's Procurement Team have been fully involved in the procurement.
- 8.2 The contract which will be signed between the Council and Capita Business Services Ltd contain fixed terms and conditions which have already been negotiated and fixed under the terms of KCS Procurement Services Y20023 Framework. Therefore both the Council and Capita must accept these terms and conditions. Capita have not requested any modifications to the contract.
- 8.3 Given the likely value of the proposed contract, it is normally recommended that both parties seal the contract as a deed. This is consistent with the

requirements of the Contract Rules in relation to Strategic Contracts with a value of over £500,000, although the Contract Rules do not apply to purchases of services via an existing compliant Framework Agreement.

As a matter of law the sealing of a contract extends the ability of the Council to pursue an action through the courts in the event that the Council needed to take legal action against the supplier in relation to their failure to comply with the contract, to twelve years instead of the usual six years from the date on which the cause of the action accrued. However due to the nature of the services provided in this case, it is unlikely the Council would actually benefit from 12 years of protection under seal. Therefore it is proposed that the contracts be signed on behalf of the Council rather than being sealed. This will also simplify the completion of the contract.

## **9. Procurement Implications/Social Value**

9.1 The commercial advantages of using a compliant framework agreement are flexibility and reduced timescales of procurement procedures.

9.2 The KCS Procurement Services Y20023 Framework was selected as being the most appropriate to meet our needs. The Framework provider Kent County Council, facilitates KCS Framework. The Public Sector is entitled to use this framework, which includes the option to make a Direct Award, outlined as; "Placing an order with any capable supplier awarded on the framework agreement, without re-opening competition, following the criteria set out below. Regulation 33(8)(a) of the Public Contracts Regulations 2015 (PCR 2015) sets out the criteria for making a direct award where a framework agreement is concluded with more than one supplier...".

9.3 Advice and guidance has been given by the Corporate Procurement Team throughout this process. The award process which the Council has carried out has been undertaken in accordance with the requirements of the Public Contracts Regulations 2015 and gave consideration to social value in line with the Public Services (Social Value) Act 2012 and was in compliance with the Council's Contract Rules.

## **10. Property implications**

10.1 None.

## **11. *Health and wellbeing implications***

11.1 Replacement of the middleware, automation of payment services and future proofing payment technology and equipment will ensure our work force has access to modern technology not only enhances employee satisfaction gained from being able to work in an agile and flexible way, it also increases efficiency and performance by enabling customers to access 24/7 digital payment services.

## **12. Reducing Inequalities**

12.1 An Equalities Impact Assessment (EqIA) ref: PPSRT623 was presented to the Equalities Team for further advice and guidance. Although the Equalities Team advised that an EqIA is not required on this occasion as the service being provided is not directly presented to the user, they have given approval to the draft submitted.

12.2 Entering into this contract will not have a visible effect or impact on any existing policy, procedure or service

### **13. Staffing implications**

13.1 None.

### **14. Consultation**

14.1 Informal consultation has been carried out with internal stakeholders impacted by this contract, for example the Capita Payments User group consisting of staff who take payments across the Council, as well as the Procurement Team and Legal Services.

### **15. Decide**

15.1 Cabinet is requested to approve the recommendations made in section 3 of this report.

### **16. Respond**

16.1 In the event that Cabinet approve the award of this contract, Digital and Technology Services and Procurement will work closely with Capita up until the end of May 2023 to ensure that the contract is tailored and fit for purpose.

### **17. Review**

17.1 Performance against the contract will be reviewed quarterly.

### **Appendices**

None

### **Background papers**

None

### **Author**

Janice Freeman-Phillips  
DaTS Programme Manager – Business Systems  
✉ Janice.Freeman-Phillips@walsall.gov.uk  
☎ 650812

Signed



**Deborah Hindson  
Executive Director – Resources &  
Transformation**

8 February 2023

Signed



**Councillor M Bird  
Leader of the Council**

8 February 2023

## Cabinet – 8 February 2023

### Corporate Financial Performance 2022/23

**Portfolio:** Councillor M.A. Bird – Leader of the Council

**Related Portfolios:** All

**Service:** Finance – council wide

**Wards:** All

**Key decision:** No

**Forward plan:** Yes

#### 1. Aim

- 1.1 To report on the forecast corporate financial position for 2022/23 (based on December 2022 actual and forecasts) and actions being taken to address this to ensure the council outturns on budget.

#### 2. Summary

- 2.1 This report provides a summary position on the draft forecast revenue outturn for 2022/23 including cost pressures, particularly within Adult Social Care and Children's Services, resulting in a forecast underspend of £57k, a reduction of £107k since this was last reported to Cabinet in December 2022. The section 151 Officer requested that all budgets be reviewed and that services identify mitigating actions to address the position, which are included in the forecast outturn position. The impact of any on-going pressures have been addressed as part of the 2023/24 budget process.
- 2.2 In relation to the capital programme, the report includes a number of proposed amendments for approval as set out in section 4.15 of the report. The forecast for the capital programme is currently predicted to be underspent by £652k after the expected carry forward of £121.06m into 2023/24.
- 2.3 This report also sets out:
- Performance against an agreed set of financial health indicators, which are forecast to be achieved;
  - Performance against statutory and local prudential indicators, which are forecast to be achieved;

### 3. Recommendations

That Cabinet:

- 3.1 Note a forecast service revenue overspend of £7.92m after service mitigating actions offset by £7.98m underspend on central budgets (includes £4.79m of mitigating actions) resulting in a net £57k variance under budget, and progress against delivery of approved savings. The service overspend has reduced by £4.56m as detailed in sections 4.5 to 4.9.
- 3.2 Note that there continues to be risk in terms of fluctuating demand and prices in Children's Social Services; data issues in Adult Social Care; and the increased cost of living demands, which require continued close management.
- 3.3 Approve the use of the Market Sustainability and Fair Cost of Care grant allocation of £966k from 2022/23 towards an ongoing uplift to home care services as outlined in section 4.5.
- 3.4 Approve amendments to the capital programme as detailed at **Appendix 5**.
- 3.5 Note that the forecast for the capital programme is currently predicted to underspend by £652k after the expected carry forward of £121.06m into 2023/24, as set out in sections 4.16 and 4.17.
- 3.6 Note financial health indicator performance as set out in section 4.19 and **Appendix 6**.
- 3.7 Note the prudential indicators as set out in section 4.25 and **Appendix 7**.
- 3.8 Approve the write off of debt as detailed in section 4.28.

### 4. Know – Context

- 4.1 The council is legally required to operate within a balanced budget, to operate within financial controls and to deliver approved budget savings. The impact of the pandemic continues to be felt in a number of areas, particularly in the social care sector and the cost-of-living impact is also causing pressures, particularly in relation to the council's costs in relation to energy and supplies.

#### ***Revenue Forecast 2022/23 - Service Pressures***

- 4.2 Walsall Council has a strong track record of managing financial pressures and action has been taken to mitigate current and future cost pressures. The council is experiencing ongoing and emerging pressures in relation to the cost-of-living impact, on contracts/third party spend in particular, and where known and quantifiable, the financial impact of this is included within the forecast position. As a result of the pressures, mitigating actions have been instigated, including services taking action to address them, use of appropriate earmarked reserves, etc.
- 4.3 The current council wide revenue forecast shows a marginal forecast underspend of £57k against budget, as summarised by directorate in **Table 1**. This represents a variance of £107k to the previous (October) position reported to Cabinet on 14 December 2022. This includes in year mitigation actions totalling £16.09m (**Appendix**

3) to ensure we are on track to outturn within budget by year end. Full details of the Directorate positions prior to mitigating actions are detailed at **Appendix 1**.

| Table 1: Forecast revenue analysis 2022/23 by Directorate |               |  |   |                           |                                |  |  |
|---|---------------|--|---|---------------------------|--------------------------------|--|--|
| Directorate   | Net Budget    | Year-end forecast prior to transfer to / (from) earmarked reserves | Year-end variance to budget prior to transfer / (From) earmarked reserves | Use of earmarked reserves | Transfer to earmarked reserves | Year-end forecast including all mitigating actions | Movement since October position reported to Cabinet 14 Dec '22 |
|   | £m            | £m   | £m  | £m                        | £m                             | £m   | £m   |
| Adult Social Care Public Health & Hub                     | 60.18         | 74.55  | 14.36   | (10.82)                   | 0.47                           | <b>4.02</b>  | (2.24)   |
| Children's and Education                                  | 60.73         | 71.33  | 10.61   | (3.72)                    | 0.33                           | <b>7.22</b>  | (0.61)   |
| Customer Engagement                                       | 3.44          | 4.26   | 0.82  | (2.05)                    | 0.20                           | <b>(1.03)</b>                                      | (0.34)   |
| Economy, Environment & Communities                        | 36.67         | 42.03  | 5.36  | (7.73)                    | 0.66                           | <b>(1.71)</b>                                      | (0.78)   |
| Resources & Transformation                                | 32.54         | 37.07  | 4.53  | (6.55)                    | 1.45                           | <b>(0.57)</b>                                      | (0.58)   |
| <b>Services Position</b>                                  | <b>193.56</b> | <b>229.24</b>  | <b>35.67</b>  | <b>(30.87)</b>            | <b>3.12</b>                    | <b>7.92</b>  | <b>(4.56)</b>  |
| Capital Financing   | 24.93         | 26.77  | 1.84  | (9.04)                    | 0.91                           | <b>(6.30)</b>                                      | 0.00   |
| Central budgets   | (80.07)       | (71.02)  | 9.05  | (13.70)                   | 2.97                           | <b>(1.68)</b>                                      | 4.45   |
| <b>Total council tax requirement</b>                      | <b>138.43</b> | <b>184.98</b>  | <b>46.56</b>  | <b>(53.61)</b>            | <b>6.99</b>                    | <b>(0.06)</b>                                      | <b>(0.11)</b>  |

4.4 The year-end forecast includes the use of earmarked reserves of £53.61m and transfers to earmarked reserves of £6.99m, as detailed at **Appendix 1**. Transfer from/use of earmarked reserves are created for specified purposes. These are all planned to be used, although the period over which they are to be used and the profiling of that use may vary. This results in projected closing earmarked reserves of £170.46m as shown in **Table 2** below:

| Table 2: Earmarked Reserves               |                          |                         |                       |                |                          |
|---|--------------------------|-------------------------|-----------------------|----------------|--------------------------|
|   | Opening Balance 01/04/22 | Transfers from Reserves | Transfers to Reserves | Movement       | Closing Balance 31/03/23 |
|   | £m                       | £m                      | £m                    | £m             | £m                       |
| Treasury Reserves                         | 27.13                    | (8.72)                  | 0.91                  | (7.81)         | 19.32                    |
| Grant / Contributions received in advance | 26.65                    | (8.62)                  | 1.52                  | (7.11)         | 19.55                    |
| Improvement projects                      | 39.52                    | (5.69)                  | 1.62                  | (4.07)         | 35.45                    |
| Cost Pressures                            | 11.38                    | (2.38)                  | 0.00                  | (2.38)         | 9.00                     |
| Council Liabilities                       | 53.87                    | (6.00)                  | 2.85                  | (3.15)         | 50.72                    |
| Covid-19 grants                           | 20.42                    | (15.68)                 | 0.00                  | (15.68)        | 4.75                     |
| Public Finance Initiatives                | 22.04                    | (4.11)                  | 0.00                  | (4.11)         | 17.93                    |
| Risk                                      | 8.73                     | (1.40)                  | 0.00                  | (1.40)         | 7.33                     |
| Other                                     | 7.43                     | (1.01)                  | 0.10                  | (1.01)         | 6.42                     |
| <b>Total</b>                              | <b>217.17</b>            | <b>(53.61)</b>          | <b>6.99</b>           | <b>(46.72)</b> | <b>170.46</b>            |

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 2022/23 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.

The following sections detail movements since last reported to Cabinet in December 2022 with the full detail on directorate pressures and actions being taken to address these shown in **Appendix 1 and Appendix 3**.

4.5 Adults Social Care, Public Health and Hub (£2.24m) – reduction in overspend from £6.26m to £4.02m after use of and transfers to reserves and mitigating actions

The main reason for the reduction of £2.24m is due to receipt of £2.18m hospital discharge grant income (recently confirmed government funding) to support with additional demand in the Intermediate Care pathways and the integrated equipment store over the winter period.

Walsall received a Market Sustainability and Fair Cost of Care grant allocation of £966k for 2022/23. The government stated that all Local Authorities are to "move towards" paying providers a 'fair cost of care' over the 3 years 2022-25 and; "to start making genuine progress towards more sustainable fee rates, where they are not already doing so". The 2022/23 allocation has been used in full to uplift home care service by a further 2.3% on top of the previously agreed 1.5% uplift for the year. Recipients of this additional uplift include domiciliary care as well as Personal Assistants employed by Direct Payment recipients. In line with DHSC grant requirements the Annex B report detailing the fair cost of care fee rates generated through the exercise is to be submitted to DHSC and published on the council's website on 1 February 2023. Cabinet are asked to approve the use of this Market Sustainability and Fair Cost of Care grant allocation.



4.6 Children's and Education (£610k) – reduction in overspend from £7.83m to £7.22m after use of and transfers to reserves and mitigating actions)

Use of pay reserves for unfunded pressures relating to the pay award for 2022/23 is now shown within the service. It was previously shown as a corporate mitigating action.

4.7 Customer Engagement (£340k) – increase in underspend from £690k to £1.03m after use of and transfers to reserves and mitigating actions)

The main reason for the increase in underspend is due to movements in staffing costs across the directorate and that the directorate is now showing use of pay reserves for unfunded pressures relating to the pay award for 2022/23, which was previously shown as a corporate mitigating action.

4.8 Economy, Environment and Communities (£780k) – increase in underspend from £930k to £1.71m after use of and transfers to reserves and mitigating actions)

The main reasons for the increase in underspend are:

- (£422k) - use of pay reserves for unfunded pressures relating to the pay award for 2022/23 now shown in the service;
- (£365k) – Clean and Green – reduction in co-mingled waste and landfill disposal costs partly offset by increased fuel costs;
- £149k – Bereavement Services – £50k additional cremator repairs, £25k additional software costs and £75k under recovery of bereavement income;
- (£76k) – Highways and Transportation – (£122k) decrease in contractual inflation on the HISC contract partly offset by £35k increased costs of road traffic schemes;
- (£32k) – Communities and Partnerships - net decrease in staffing costs due to a further delay in the restructure.

4.9 Resources and Transformation (£580k underspend, previously on budget after use of and transfers to reserves and mitigating actions)

The main reason for the movement of (£580k) are:

- (£247k) - use of pay reserves for unfunded pressures relating to the pay award for 2022/23 now shown in the service;
- (£250k) release of redundant building reserve;
- (£362k) underspends on salaries across the directorate;
- (£288k) additional rental income;
- £382k additional agency costs across the directorate;
- £136k additional locum costs within legal services.

4.10 Central budgets £4.55m reduction in underspend after use of and transfer to reserves and mitigating actions)

The main reasons for the changes are:

- Risk reserve – the use of reserve has been reduced by £2.45m due to the overall directorate forecast outturn position changing to the better, mainly due to the receipt of £2.18m government grant funding for hospital discharge income. It is considered prudent to maintain the reserve to cover any risks on savings for 2023/24 which are currently still awaiting a full implementation plan;
- The use of the pay and pension reserve of £2.10m has now been allocated to services and therefore is no longer shown as a central budget cost.

### **Approved savings in 2022/23**

- 4.11 The 2022/23 budget approved by Council on 24 February 2022 includes £18.86m of benefits realisation (savings) against Proud activity plus a further £5.36m of 2021/22 benefits approved to be carried forward for delivery in 2022/23, giving a total benefit figure of £24.22m to be achieved. Directors are required to ensure that service delivery plans are developed to fully deliver these in year.
- 4.12 All benefits require a delivery plan with key milestones including any corrective action to be produced, where there are any reported variations to the saving being delivered. There are currently high-risk benefits of £6.02m, as shown in **Appendix 3** along with the reason and proposed mitigating actions totalling £1.81m. Action plans are being put in place to ensure full delivery in 2023/24.

### **Covid-19 Impact on the Revenue Forecast 2022/23**

- 4.13 There have continued to be some additional costs associated with our response to Covid-19, and increased impact from the cost of living, 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.
- 4.14 This report provides detail on those grants impacting in 2022/23. £7.11m was approved to be carried over from 2021/22. These grants are summarised at **Table 3**. Of this, £4.14m relates to grants ringfenced to specific activity, which is expected to be maximised in accordance with respective grant conditions, with £338k of this for Omicron Support Fund expected to be spent beyond 2023/24. The balance of £2.97m relates to unallocated unringfenced Covid-19 grant funding from 2021/22 which is now fully committed as detailed in **Table 4**.

| <b>Source of funding</b>                    | <b>Balance b/f<br/>2021/22<br/>£m</b> | <b>Actual<br/>spend @<br/>December<br/>2022<br/>£m</b> | <b>Annual<br/>forecast<br/>2022/23<br/>£m</b> |
|---|---------------------------------------|--|---|
| Covid-19 support package (unringfenced)*    | 2.97                                  | 2.38   | 2.97  |
| New Burdens Funding - Business rates admin  | 0.45                                  | 0.29   | 0.45  |
| Wellbeing for Education funding             | 0.02                                  | 0.02   | 0.02  |
| Contain Outbreak Management Fund (COMF)     | 2.95                                  | 2.50   | 2.95  |
| Omicron Support Fund                        | 0.36                                  | 0.00   | 0.02  |
| Clinically Extreme Vulnerable support grant | 0.15                                  | 0.12   | 0.15  |
| Community Champions                         | 0.21                                  | 0.06   | 0.21  |
| <b>Total Funding</b>                        | <b>7.11</b>                           | <b>5.37</b>  | <b>6.77</b>                                   |

| <b>Details</b>   | <b>£m</b>   |
|--|-------------|
| 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)      |
| <b>Balance remaining</b>   | <b>0.00</b> |

### **Capital Programme 2022/23**

- 4.15 The revised capital programme for 2022/23, as approved by Cabinet on 14 December 2022 was £231.19m. **Table 5** summarises amendments made to date, resulting in a revised programme of £232.00m.

| <b>Project</b>  | <b>£m</b>     |
|---|---------------|
| <b>Capital programme 2022/23 per Cabinet 14 December 2022</b> | <b>231.19</b> |
| <b>Council Funded Resources</b>                               |               |
| Gym Equipment Replacement                                     | 0.48          |
| <b>Externally Funded Resources</b>                            |               |
| Wednesbury footbridge   | 0.14          |
| Construction of wall and footpath Hollyhedge Close            | 0.08          |
| Limestone surveys   | 0.11          |
| <b>Revised capital programme 2022/23</b>                      | <b>232.00</b> |

- 4.16 **Table 6** summarises the 2022/23 capital programme and forecast outturn after the re-phasing of £121.06m into 2023/24, with the forecast summary of the net £652k underspend shown at **Table 7**.

| <b>Directorate</b> | <b>Budget<br/>£m</b> | <b>Predicted<br/>year end<br/>forecast<br/>£m</b> | <b>Variance<br/>before<br/>Carry<br/>forward<br/>£m</b> | <b>Carry<br/>Forward<br/>£m</b> | <b>Variance<br/>Over /<br/>(Under)<br/>£m</b> |
|--------------------|----------------------|---|---|---------------------------------|---|
| Council funded     | 92.13                | 32.57   | (59.56)   | 58.91                           | (0.65)  |
| Externally funded  | 139.87               | 77.72   | (62.15)   | 62.15                           | 0.00  |
| <b>Total</b>       | <b>232.00</b>        | <b>110.29</b>                                     | <b>(121.71)</b>   | <b>121.06</b>                   | <b>(0.65)</b>                                 |

| <b>Table 7: Summary of Underspend 2022/23</b> |               |
|---|---------------|
| <b>Project</b>                                | <b>£m</b>     |
| M6/J10 Highway Improvements                   | 0.65          |
| <b>Total</b>                                  | <b>(0.65)</b> |

4.17 The capital programme currently shows predicted re-phasing of £121.06m from 2022/23 to 2023/24 as shown in **Appendix 5**. Re-phasing occurs for a number of reasons such as late confirmation of grant approvals, timing of projects that may fall over more than one financial year, contract delays out of our control due to waiting for funding confirmation or Government approval.

#### Development Investment

4.18 A provision of £40m was approved by Council in February 2021, with a further £30m approved by Council in February 2022, a total of £70m set aside over the 5-year period 2021/22 to 2025/26 for council development investment opportunities, including emerging regeneration schemes, where funding or match funding is required, and major capital projects. The current proposed use (and unallocated amounts) is set out in **Table 8**.

| <b>Table 8: Development Investment 2021/22 to 2026/27 – planned allocations</b> |   |                       |                       |                       |                       |                       |                       |
|---|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Scheme</b>   | <b>Approval</b>                                 | <b>2021/22<br/>£m</b> | <b>2022/23<br/>£m</b> | <b>2023/24<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> |
| <b>Budget Allocation</b>  |   | <b>28.00</b>          | <b>0.00</b>           | <b>22.00</b>          | <b>10.00</b>          | <b>10.00</b>          | <b>0.00</b>           |
| Balance c/f   |   | 0.00                  | 26.05                 | 15.08                 | 25.15                 | 34.85                 | 40.81                 |
| Regional Materials Recycling Facility   | Cabinet 17 March 2021                           | 0.00                  | (0.65)                | (0.93)                | 0.00                  | 0.00                  | 0.00                  |
| Future High Street Fund - match   | Cabinet 21 April 2021                           | 0.00                  | 0.00                  | 0.00                  | 0.00                  | (4.04)                | (1.07)                |
| Reedswood Land (risk)   | Cabinet 16 June 2021                            | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                  |
| Street Lighting   | Cabinet 16 June 2021                            | (0.22)                | (6.97)                | (4.28)                | 0.00                  | 0.00                  | 0.00                  |
| Children's Residential  | Cabinet 16 June 2021                            | (0.97)                | (0.10)                | 0.00                  | 0.00                  | 0.00                  | 0.00                  |
| Transit site – part funding   | Cabinet 20 October 2021                         | (0.33)                | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                  |
| Streetly Cemetery improvements  | Cabinet 15 December 2021                        | (0.43)                | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                  |
| Willenhall Masterplan   | Cabinet 9 February 2022                         | 0.00                  | (2.68)                | (6.42)                | 0.00                  | 0.00                  | 0.00                  |
| Darlaston Boilers/baths   | Cabinet 18 October 2022                         | 0.00                  | (0.04)                | 0.00                  | 0.00                  | 0.00                  | 0.00                  |
| Children in care / Foster Care refurbishment prog                               | Cabinet 9 February 2022                         | 0.00                  | (0.15)                | (0.15)                | (0.15)                | 0.00                  | 0.00                  |
| Nottingham Car Park   | Business case endorsed by SIB 8th November 2022 | 0.00                  | (0.24)                | 0.00                  | 0.00                  | 0.00                  | 0.00                  |
| Fly Tipping project for CCTV  | Business case endorsed by SIB 8th March 2022    | 0.00                  | (0.14)                | (0.15)                | (0.15)                | 0.00                  | 0.00                  |
| <b>Total Allocated</b>  |   | <b>(1.95)</b>         | <b>(10.97)</b>        | <b>(11.93)</b>        | <b>(0.30)</b>         | <b>(4.04)</b>         | <b>(1.07)</b>         |
| <b>Unallocated Balance c/f</b>  |   | <b>26.05</b>          | <b>15.08</b>          | <b>25.15</b>          | <b>34.85</b>          | <b>40.81</b>          | <b>39.74</b>          |

\*The budget report to Council in February 2022 referred to an annual allocation of £500k per annum to be set aside for capital contingency, subject to approval.

#### **Financial Health Indicators**

4.19 **Appendix 6** contains financial health indicator performance as at 31 December 2022. The primary purpose of these is to advise Cabinet of the current financial health of the

authority in order to provide assurance to them in their role. The indicators cover a number of areas as follows:

### *Treasury Management*

- 4.20 The indicators show the actual borrowing and investment rates for 2021/22 and the forecast for 2022/23 against set targets. Proactive and robust management of the council's debt and investment portfolios is forecast to result in positive variances against most of the financial health indicator targets for 2022/23.

It is expected Investment Income will exceed targets set for 2022/23. As at December 2022 the average interest rate on all investments (excluding the property fund) shows at 1.29% in comparison to the budgeted average rate of 0.48%. This is due to an increase in interest rates over all our investments, which is primarily due to the rising Bank of England interest rates.

### *Balance Sheet*

- 4.21 This details ratios for the last 4 financial years 2017/18 to 2020/21 and also draft figures for 2021/22 (awaiting audit sign off of accounts) which show the liquidity of the authority.

### *Revenue performance*

- 4.22 This section shows collection rates for council tax and business rates, the average number of days to collect sundry debt and the number of days to process creditor payments for 2022/23 and the performance against profile for 2022/23. Sundry debt collection is below target by 1 day with performance in relation to the processing of creditor payments better by 1 day. Council tax is slightly below target, and NNDR collection rates are above target.

### *Management of Resources*

- 4.23 This section details the outturn position for 2021/22 and 2022/23 year-end forecast for revenue and capital, which is based on the financial position as at 31 December 2022. The revenue forecast for 2022/23 shown is a potential underspend of £57k after use of and transfer to reserves, before any further action is taken.
- 4.24 The capital forecast as at the end of December is expected to underspend by £121.71m, of which £121.06m is expected to be re-phased into 2023/24, leaving a capital underspend of £652k. Capital receipts are currently forecast to be on budget pending a review of available asset disposals which is fully dependent on timing and market conditions.

### *Prudential Indicators*

- 4.25 **Appendix 7** contains the prudential indicators as at 31 December 2022. The primary purpose of these is to provide assurance to Cabinet that the authority is borrowing and investing in a sound and prudent manner. Target indicators were approved by Council in February 2022.

### *National Indicators*

- 4.26 These indicators are nationally set and provide an indication of the council's exposure to interest rate risks, the proportion of the council's budget used to finance capital expenditure and the borrowing limits for the current year.

All of these indicators were met in 2021/22 and are forecast to be met in 2022/23.

The targets that these prudential indicators are monitored against have been taken from the Treasury Management and Investment Strategy for 2022/23 onwards.

### *Local Indicators*

- 4.27 These indicators have been set in consultation with the Treasury Management Panel, which is chaired by the s151 Officer, to provide further assurances to the authority that borrowing and investment is being undertaken in a sound and prudent manner.

- L2 - Average length of debt – The target acceptable limit is within 15-25 years. The authority's current position is 16.51 years, which is within the target range.
- L3a - Net borrowing costs as % of net council tax requirement. The target figure of 20.00% represents an upper limit of affordable net borrowing costs as a percentage of the net council tax requirement for the authority. The actual level of net borrowing costs is currently less than the upper limit, showing as 10.73%, which in the main is linked to the work undertaken by the service to seek secure favourable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.
- L3b - Net borrowing costs as % of Tax Revenue. The target figure of 12.50% represents an upper limit of affordable net borrowing costs as a percentage of tax revenues for the authority. The actual level of net borrowing costs is currently less than the upper limit, showing as 7.28%, which in the main is linked to the work undertaken by the service to seek to secure favourable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.
- L9a – Bank of England have continually increased the base rate over the 22/23 period, currently showing a base rate of 3.50%. This has shown corresponding affect relation to Investment Yields. All investments are outperforming the 2022/23 target rate.

All the above indicators were met in 2021/22 and are forecast to be met in 2022/23 except the following:

- L5/L6 – Average interest rate of external debt (including/excluding Other Local Authority Debt). Average interest rates on borrowing shows a slightly adverse variance. Main reasoning for this is because it had been budgeted to take out borrowing in this financial year at lower interest rates, however Treasury Management Panel decided in year not to undertake this borrowing as it is more prudent to utilise cash balances and reduce the cost of carry as well as reducing counterparty risk.

- L8 – Average interest received on short term investment vs at call rate. At the time of these targets were set, short term interest rates were significantly higher than call rate, therefore providing a huge % difference between the rates. However, there are still active short-term investments placed over the past 12 months which are providing a much lower yield in comparison to the current Short Term rates. Once these investments have matured (and potentially re-invested), it should show as an improvement for this indicator.

### **Write off of debt**

- 4.28 The following write offs (as they are over £10,000) requires the approval of Cabinet;
- £10,229.69 relating to benefits-based contributions up to 2015 and community based contributions from 2015 to 2022. The debt is recommended for right off as the client has now passed away and there is no recourse to pay.
  - £14,835.33 relating to community-based charges from 2016 to 2022. The debt is recommended for right off as the client has now passed away and there is no recourse to pay.

### **Council Plan Priorities**

- 4.29 The council's financial strategy and annual budget process is designed to ensure that resources follow council priorities and deliver outcomes as set out in the Council Plan 2022-25.

### **Risk Management**

- 4.30 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. Best professional judgement and estimates were applied in terms of the continuing impact of the global pandemic and there is therefore a risk that reserves are insufficient if costs continue to increase without the corresponding allocation of funding to meet this from Government.
- 4.31 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 (MTFF). 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.
- 4.32 There are also a number of increased risks in 2022/23 as set out within this and previous reports. Financial forecasts have been included where known or are estimated. Actions have been taken to address these risks and reduce the forecast overspend caused by these pressures. Mitigating actions are set out within this report.
- 4.33 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) is regularly reviewed and amended where appropriate. The SRR is reported to Corporate Management Team and oversight in relation to this rests with Audit Committee, which will receive a number of reports during 2022/23.

## **Financial Implications**

- 4.34 The financial implications are as set out in the main body of this report. 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. The potential forecast revenue variance, prior to mitigating actions being implemented, is significant and requires strong and robust management to ensure the council outturns within budget by year end. Actions are being taken to address this and progress will continue to be reported throughout 2022/23 to Cabinet.
- 4.35 Opening unallocated general reserves for 2022/23 were £17.69m. The medium-term financial framework (MTFF) requires that a prudent level of reserves is maintained. This was set at no less than £16.11m for 2022/23. The MTFF also sets a minimum level of reserves beyond which any use must be reported to Council. This is currently set at £6.6m. The current forecast is expected to be on budget after use of reserves and use of mitigating actions. Any variation to this will be transferred to general reserves at year-end, dependent on the actual outturn position. Mitigating actions have been identified and implemented to ensure that reserves are maintained at the recommended level.

## **Legal implications**

- 4.36 The council is required to set and operate within a balanced budget. Section 114 of the Local Government Finance Act 1988 requires the chief finance officer (CFO), in consultation with the council's monitoring officer, to make a report under this section if it appears to him or her that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. In practice, this is most likely to be required in a situation in which reserves have become depleted and it is forecast that the council will not have the resources to meet its expenditure in a particular financial year. This mechanism, however, is impractical and should be avoided, as issuing a S114 notice requires all non-statutory spend to cease immediately, a situation which would just exacerbate the current situation.
- 4.37 CIPFA's guidance to CFO's has been modified to allow councils under budgetary pressure due to Covid-19 the time and space to explore alternatives to freezing spending via a S114 notice. The two specific modifications are:
- At the earliest possible stage, a CFO should make informal confidential contact with DLUHC to advise of financial concerns and a possible forthcoming S114 requirement.
  - The CFO should communicate the potential unbalanced budget position due to Covid-19 to DLUHC at the same time as providing a potential S114 scenario report to the council executive (cabinet) and the external auditor.
- 4.38 The council will have 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**

- 4.39 All procurement activity is being reviewed, with a focus 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 has been created to support and challenge services through the gateways of the commissioning and procurement process, with the ultimate aim of achieving best value for money.

## **Property Implications**

- 4.40 The impact of Covid-19 has meant that many council premises were required to close or remain open with restricted access to essential workers during the early stages of 2021/22. Following the easing of restrictions, the council has reviewed its ways of working approach, emphasised on 'it's the work that we do, not where we do it'.

## **Health and Wellbeing Implications**

- 4.41 This report is prepared with consideration of any impacts that any decisions would have on health and wellbeing. Any implications arising from the budget will be reported to members during budget setting along with any actions which are required to be addressed prior to implementation of budget proposals.

## **Staffing Implications**

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

## **Reducing Inequalities**

- 4.43 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. The budget is equality impact assessed and consulted on as appropriate, with feedback and actions arising from these reported to Members during budget setting.

## **Climate Change**

- 4.44 This report is prepared with consideration of the council's Climate Change Action Plan, and the budget will need to consider the six key areas of the Plan: strategy, energy, waste, transport, nature, resilience and adaptation (as appropriate).

## **Consultation**

- 4.45 The report is prepared in consultation with the s151 Officer, Corporate Management Team, relevant managers and directors.

**5. Decide**

5.1 Cabinet may wish to consider additional actions to address the matters set out in this report.

**6. Respond**

6.1 Following Cabinet's consideration and approval, the S151 Officer will ensure implementation of the recommendations.

**7. Review**

7.1 Regular monitoring reports will continue to be presented to Cabinet on the forecast for 2022/23, including an update on risks and impact on the budget for 2023/24 and beyond.

**Background papers:** Various financial working papers.

**Author:**

Vicky Buckley, Head of Finance and Assurance, ☎ 07983 604698,

✉ [Vicky.Buckley@walsall.gov.uk](mailto:Vicky.Buckley@walsall.gov.uk)

Signed:



**Deborah Hindson**  
**Interim Executive Director of Resources**  
**and Transformation (S151 Officer)**

8 February 2023

Signed:



**Councillor M Bird**  
**Leader of the Council**

8 February 2023

## **Appendix 1 - Directorate Forecast Positions 2022/23 prior to mitigating actions**

### **Adults Social Care, Public Health and Hub overspend of £10.10m prior to any mitigating actions**

The main reasons for the £10.20m overspend can be split into 'Business as usual (BAU)' of £6.02m and 'Impact of Service Transformation Plan (STP)' of £4.08m.

The reasons for the BAU position are as follows:

- £0.20m – Intermediate care costs including discharge to assess beds and reablement hours. This current projected overspend reflects the use of recently confirmed government funding relating to hospital discharges of £2.08m. The forecast position is based on additional demand over budgeted clients and the assumption that this demand continues for the remainder of the financial year. This is as a result of assessment delays and the ongoing impact of Covid-19;
- (£0.14m) – rapid response costs based on current demand;
- £4.76m – increase in client package costs and associated income contributions (based on data until the end November) and an increase in future projections based on current trends;
- £1.72m – additional bad debt provision to cover 50% of outstanding client debt (The current total outstanding debt is £7.31m as at end of November, this will increase the bad debt provision to £3.65m). This is dependent on the outcome of a review currently led by Adult Social Care;
- (£1.92m) – additional income from joint funding arrangements including Continuing Healthcare and Section 117;
- £0.62m - contractual inflation on the Housing 21 unitary charge is higher than originally included in the MTFO - it is based on February RPIx prior to the charge year;
- £0.07m – Integrated Community Equipment Store (ICES) because of additional demand and increased equipment costs;
- £0.56m - additional cost of the interim management and staffing arrangements across the directorate;

The reasons for the STP position are as follows:

- £800k - delays in the delivery of savings related to the review of existing older people's care packages. Based on current delivery to date and projection assumptions this project is estimated to deliver the full year effect of £2.6m in 2023/24;
- £990k - delays in the delivery of savings to reduce new demand through the 'front door' including the provision of alternative support. Based on current delivery to date and projection assumptions, this project is estimated to deliver the full year effect of £1.30m in 2023/24. ASC are working through a needs assessment analysis on inflow to inform front door modelling assumptions, and to articulate what services form the key drivers to prevent inflow e.g., resilient communities, disabled facilities funding and digital technology;
- £1.43m - shortfall in funding from the Learning Disability Joint Funding arrangements. On-going discussions with the ICB regarding the joint funding arrangements remains in progress;
- £870k – delay in the saving relating to Better Care Finance due to future-proofing and integration with other systems;
- £82k remaining pressure arising from the pay award 2022/23.

### Children's and Education overspend of £10.28m prior to any mitigating actions

The main reason for the £10.28m overspend are:

- £9.00m children in care (CIC) costs. The total forecast for 2022/23 is £36.43m against a budget of £27.43m. This forecast is based on the current mix of children in care and the projected future demand for the remainder of the financial year.
  - £1.60m on-going impact of price increases above the previous years approved budget;
  - £1.43m on-going impact of increases in placement costs and the number/mix of young people in care;
  - £2.74m placement moves to date as at the end of November 2022;
  - £1.11m further placements moves and changes in costs expected for the remainder of the financial year;
  - £650k increase in starters and leavers. The number of starters of new children in care are less than budgeted for, however, the cost of the placements are higher than anticipated;
  - £1.21m increased costs in remand and external residential placements linked to court delays and placement sufficiency following Covid-19;
  - £260k placements costs relating to complex cases.

CIC benefits of £1.8m have also been achieved to date. These are currently reducing the CIC pressure - they are avoidance costs without which there would have been a further increase in the current forecast overspend.

- £680k (offset by £0.20m of Dedicated Schools Grant (DSG) High Needs funding) overspend on use of agency within the Special Education Needs team, relating to clearing a backlog of Education and Health Care Plan cases and meeting the ongoing demand;
- £540k (offset by £0.12m of DSG High Needs funding) overspend on the use of agency within the Educational Psychologists team. There are 6.91FTE vacant posts within a team of 10.71FTE, generating an underspend of £0.52m. However, projected assessments to the end of March 2023 are 205 which need to be covered by agency, resulting in a full year projected cost of £1.01m;
- £350k (offset by reserves) unachieved savings relating to recruitment and retention of social workers due to delays in fully recruiting new ASYEs to replace agency staff;
- £610k remaining pressure arising from the pay award 2022/23.

### Customer Engagement (£400k) underspend prior to mitigating actions of £630k

The main reason for the £400k underspend is due to underspends on salary costs arising from receipt of additional grant contributions to cover staff costs relating to the administration of grants on behalf of central government.

### Economy, Environment and Communities (£690k) – underspend prior to mitigating actions

The main reasons for the underspend are:

- Clean & Green (£1.06m) – £302k staffing overspends due to a delay in the planned restructure, a net £161k markets income under recovery and a £232k vehicle fuel overspend (cost of living) offset by (£1.54m) reduced waste disposals costs,

(£148k) staffing underspends due to vacant posts, (£190k) over recovery trade waste income and recyclable materials income and (£137k) underspends in vehicle hire;

- Highways and Transportation £231k – Street lighting electricity costs offset with £4.1m use of earmarked reserves (£3.6m of this relates to the cost of living impact), £110k Tarmac highways infrastructure contract overspend (due to cost of living) on contractual inflation, £52k traffic lights electricity costs overspend (due to cost of living) on contractual inflation, additional £26k Highways maintenance due to excess gully threats and (£45k) over recovery of permit income and staffing underspends;
- Leisure (£109k) – underspend on staffing due to vacant posts and casuals;
- Bereavement Services £165k - £70k overspend on cremator repairs, £22k on digital autopsies, £15k on body removals, £23k registrar office electronic calendar software and £35k Sandwell coroner's joint service;
- Emergency Planning (£40k) - staff underspend due to delay in recruitment to vacant posts;
- Cultural Services (£116k) – underspend in staffing costs due to vacancies and an underspend on routine maintenance;
- Planning and Building control £189k – under recovery of planning applications income and overspend on agency staff and fixed term staff to support demand;
- Regeneration and Development £51k – overspend on staffing costs due to pay award;
- Library Services (£175k) – staffing underspends due to vacant posts;
- Regulatory Services £199k – net under recovery in income (taxis and licencing);
- Communities & Partnerships (£168k) – underspend on staffing due to a delay in the Resilient Communities restructure;
- £422k pressures relating to the pay award for 2022/23 across the directorate.

#### Resources and Transformation (£80k) underspend prior to mitigating actions

The main reasons for the underspend are:

- £247k - pressures relating to the pay award for 2022/23 across the directorate;
- (£362k) underspends on salaries across the directorate;
- (£288k) additional rental income;
- £382k additional agency costs across the directorate;
- £136k additional locum costs within legal services.

#### Capital Financing (£3.09m) underspend prior mitigating actions

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 £3.09m.

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

| Reserve  | Use of Reserve<br>£ | Transfer to Reserve<br>£ | Details of use of reserve  |
|--|---------------------|--------------------------|--|
| <b>Adult Social Care, Public Health and Hub</b>              |                     |                          |  |
| Covid-19 – unringfenced funding                              | (1,402,171)         | 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                  | (2,823,321)         | 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   | (19,642)            | 0                        | Costs associated with the plan to strengthen the Carers strategy across the borough following Covid-19   |
| Housing 21   | (622,340)           | 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)         | 0                        | Costs associated with social care activity/intermediate Care.  |
| Public Health  | (1,475,906)         | 307,046                  | Relates to grant funding for Public Health projects – Better Mental Health, Adult Weight Management and Universal Drug / Crime   |
| IFRS   | (571,610)           | 159,506                  | 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                     | (195,869)           | 0                        | To support back log of Best Interest Assessors / Deprivation of Liberty safeguard assessments.   |
| Mediation  | (327,526)           | 0                        | Released as part of the mitigating actions   |
| Custom card credit balances                                  | (61,690)            | 0                        | Released as part of the mitigating actions   |
| Pay reserve  | (82,932)            | 0                        | To fund pressures as a result of the pay award   |
| Proud resource plan  | (1,349,678)         | 0                        | To fund investment and resources to deliver Proud workstream activity  |
| <b>Total Adult Social Care, Public Health and Hub</b>        | <b>(10,816,326)</b> | <b>466,552</b>           |  |
| <b>Children's Services</b>                                   |                     |                          |  |
| 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.  |
| IFRS   | (2,041,230)         | 261,343                  | Relates to grant funding for School Improvements, Safeguarding Families, Protecting Children, Regional Recovery, Rough sleepers, Personal Advisors.                                    |
| Children in care complex cases                               | (255,265)           | 0                        | To fund pressures, including social workers and placement costs, of complex cases relating to young people in care.  |
| Children's external partner contributions                    | (114,648)           | 91,820                   | Use of Safeguarding Partnership contributions and transfer of underspend on Youth Justice Board to reserves. Both services are significantly funded by external partner contributions. |

| Reserve                                       | Use of Reserve<br>£ | Transfer to Reserve<br>£ | Details of use of reserve   |
|---|---------------------|--------------------------|---|
| Children's demand                             | (268,386)           | 0                        | To fund demand related cost pressures   |
| Truancy fine income (ring-fenced)             | (28,306)            | 34,364                   | Used to fund an attendance officer post.  |
| Pay reserve                                   | (710,809)           | 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.  |
| <b>Total Children's Services</b>              | <b>(4,654,137)</b>  | <b>387,527</b>           |   |
| <b>Children's - Customer Engagement</b>       |                     |                          |   |
| 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  | (12,957)            | 0                        | To fund staff support costs relating to HMO licences in future years.   |
| IFRS  | (100,000)           | 0                        | Grant funding for Housing First scheme, homelessness, citizens advice bureau, refugee costs and other smaller projects.   |
| Discretionary Housing Payments funding (DHP)  | (60,000)            | 0                        | To fund pressures in reduction in Discretionary Housing Payments funding (DHP).   |
| Regional adoption agency                      | 0                   | 47,064                   | Contributions received in advance   |
| DWP new burdens funding                       | (5,500)             | 0                        | Grant received in advance   |
| Redundancy                                    | (106,614)           | 0                        | Redundancy costs.   |
| Crisis support                                | (392,064)           | 0                        | To fund costs related to the Crisis Support Scheme.   |
| Housing Services – c/f request                | 0                   | 101,924                  | Surplus income in year expected to be c/f to fund costs in 2023/24.   |
| <b>Total Children's - Customer Engagement</b> | <b>(1,114,575)</b>  | <b>148,988</b>           |   |
| <b>Economy, Environment &amp; Communities</b> |                     |                          |   |
| 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                | (151,279)           | 0                        | Costs of supporting residents who are most at risk of Covid-19.   |
| Building control fees – statutory account     | (50,424)            | 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       | (472,074)           | 0                        | Funding key projects in line with the legislation.<br>- Install Bridge Street bus gate;<br>- District signage<br>- Rolling programme to refresh street name plates;<br>- Road lines;<br>- Introduction of Moving Traffic Enforcement legislation. |
| Street Lighting PFI                           | (4,112,901)         | 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.   |

| Reserve   | Use of Reserve<br>£ | Transfer to Reserve<br>£ | Details of use of reserve  |
|---|---------------------|--------------------------|--|
| On Street Car Parking income (ringfenced)           | (9,975)             | 263,902                  | To fund key projects in line with the legislation.   |
| Economic growth programme (EGP)                     | (55,577)            | 216,900                  | To support costs within service to continue functions as per Cabinet report October 2020. Extended to 2023.                          |
| IFRS  | (958,529)           | 182,923                  | Primarily relates to grants / contributions carried forward where spend was delayed due to Covid-19 or spend spans more than 1 year. |
| Phoenix 10  | (151,285)           | 0                        | To fund professional fees.   |
| Town Centre Master Plan                             | (491,307)           | 0                        | Costs associated with the Town Centre Master Plan redevelopment  |
| Feasibility / Options appraisals                    | (115,000)           | 0                        | To cover costs which cannot be coded to capital and abortive costs of schemes.   |
| Black Country Core Strategy                         | (23,873)            | 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                                   | (119,285)           | 0                        | Government funding to level up north/south divide to be used in 2022/23  |
| 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)                    | (33,920)            | 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   |
| Mediation reserve                                   | (100,000)           | 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   |
| Pay reserve   | (422,124)           | 0                        | To fund pressures as a result of the pay award   |
| <b>Total Economy, Environment &amp; Communities</b> | <b>(7,731,581)</b>  | <b>663,725</b>           |  |
| <b>Resources &amp; Transformation</b>               |                     |                          |  |
| IFRS  | (54,901,0)          | 0                        | Primarily relates to grants carried forward in relation to the Black Country LEP that span more than 1 financial year.               |
| Appointeeships – one off investment                 | (16,739)            | 0                        | Funding of agency to continue with the implementation of charging.   |
| 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                           | (67,471)            | 57,615                   | To support costs within service to continue functions as per Cabinet report October 2020. Extended to 2023.                          |



| Reserve                                       | Use of Reserve<br>£ | Transfer to Reserve<br>£ | Details of use of reserve  |
|---|---------------------|--------------------------|--|
| External partner contributions                | (9,707)             | 0                        | Contributions to support Technical Assistance Programme.   |
| Enterprise Zones                              | (790,531)           | 1,299,853                | Generated from surplus business rates from across the Black Country to fund the costs of future capital schemes.   |
| Growing Places Fund                           | (9,209)             | 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                         | (44,209)            | 0                        | To fund any necessary staff costs linked to closure of programme.  |
| Cost of Living - Energy                       | (1,857,418)         | 0                        | To fund the additional rising costs of energy.   |
| Improvement projects                          | (95,697)            | 0                        | To fund costs associated with One Source.  |
| Youth Employment Initiative (YEI) Overheads   | 0                   | 95,164                   | 15% overhead costs claimed on YEI, this is used to support any ineligible costs.   |
| Proud Resource Plan                           | (1,990,054)         | 0                        | To fund investment and resources to deliver Proud workstream activity.   |
| Pay reserve                                   | (247,335)           | 0                        | To fund pressures as a result of the pay award   |
| <b>Total Resources and Transformation</b>     | <b>(6,552,496)</b>  | <b>1,452,632</b>         |  |
| <b>Capital Financing</b>                      |                     |                          |  |
| Borrowing re-scheduling                       | (8,132,0007)        | 907,085                  | 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)               | (585,000)           | 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.  |
| <b>Total Capital Financing</b>                | <b>(9,041,178)</b>  | <b>907,085</b>           |  |
| <b>Centrally Held</b>                         |                     |                          |  |
| Proud   | (290,000)           | 0                        | 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.  |
| Brexit  | 0                   | 72,439                   | Return of unused grant funding given to CA to fund costs associated with Brexit.   |
| Irrecoverable losses income (collection fund) | (1,430,000)         | 0                        | Government grant used to fund collection fund losses arising from Covid-19.  |
| Enterprise Zones – part of section 31 grant   | 0                   | 18,338                   | Transfer of business rates income relating to the Enterprise Zone.   |
| Pay / Pensions                                | 0                   | 1,558,205                | Transferred to smooth pension increases in future years.   |
| Project reserve (windfall income)             | 0                   | 28,720                   | Windfall income transferred to fund future projects.   |

| <b>Reserve</b>                      | <b>Use of Reserve<br/>£</b> | <b>Transfer to Reserve<br/>£</b> | <b>Details of use of reserve</b>  |
|-------------------------------------|-----------------------------|----------------------------------|---|
| Covid-19 - Expanded retail discount | (7,754,211)                 | 0                                | Reliefs to be used in 2022/23 to fund reductions in NNDR income   |
| Business rates retention scheme     | (2,366,950)                 | 1,290,000                        | To fund volatility of business rates income due to the pandemic and any appeals. Also to smooth future changes to the scheme. |
| Public Health                       | (181,016)                   | 0                                | Released as part of the mitigating actions  |
| Risk                                | (1,401,504)                 | 0                                | Released as part of the mitigating actions  |
| <b>Total Centrally Held</b>         | <b>(13,697,681)</b>         | <b>2,967,702</b>                 |   |
| <b>TOTAL RESERVES</b>               | <b>(53,607,974)</b>         | <b>6,994,205</b>                 |   |

*\*There are a number of use of reserves which are in part being used as part of the mitigating actions as detailed in Appendix 3.*

### Appendix 3: Mitigation actions included within the report

| <b>Table 1: Mitigating Actions included in position - by Directorate</b> |   |             |
|--|---|-------------|
| <b>Directorate</b>   | <b>Detail of mitigating actions</b>   | <b>£m</b>   |
| Adult Social Care, Hubs & PH   | IBCF surplus balance taken  | 0.85        |
|  | Covid general fund – utilised for demand costs  | 1.40        |
|  | Covid COMF fund – utilised for various adult social care costs per conditions   | 2.49        |
|  | Housing 21 reserves used as one off to fund inflated costs  | 0.52        |
|  | Doctor Assessment remaining reserve balance   | 0.15        |
|  | Custom card reserve   | 0.06        |
|  | Charging reform balance reserve – no costs committed or planned   | 0.06        |
|  | Independent Living Centre Dilapidation costs reserve  | 0.15        |
|  | Release of pay & pensions reserve   | 0.08        |
|  | Surplus of mediation reserve no longer required   | 0.33        |
| <b>Total Mitigation included for Adult Social Care, Hubs &amp; PH</b>    |   | <b>6.09</b> |
| Children’s Services - Children’s and Education                           | High needs funding  | 0.32        |
|  | Supporting Families Programme   | 0.50        |
|  | Children’s social care underspend on Family Drugs and Alcohol Court and Internal Residential ring fenced                          | 0.25        |
|  | Covid reserve   | 1.00        |
|  | Access & Achievement £46k grant and £6k unused revenue  | 0.05        |
|  | Children’s Social Care - £60k grant, £5k reserve  | 0.07        |
|  | Early Help - £45k reserve, £215k grant  | 0.26        |
|  | Children in Care reserve  | 0.13        |
|  | Release of pay & pensions reserve   | 0.48        |
| Children’s Services – Customer Engagement                                | Crisis Support reserve  | 0.25        |
|  | New Burdens grant reserve   | 0.15        |
|  | Release of pay & pensions reserve   | 0.23        |
| <b>Total Mitigation included for Children’s</b>                          |   | <b>3.69</b> |
| Economy, Environment & Communities                                       | Release of various small residual reserves i.e.; parking income, bus lane income, building control, engineers assistants time etc | 0.11        |
|  | Unallocated Police and Crime Commissioner grant reserve   | 0.04        |
|  | Arts Council grant reserve  | 0.05        |

| <b>Directorate</b>  | <b>Detail of mitigating actions</b>   | <b>£m</b>    |
|---|---|--------------|
| Economy, Environment & Communities  | Economic Growth Programme reserve   | 0.17         |
|   | Resilient Communities reserves  | 0.09         |
|   | Underspend on vacant post released - Highways   | 0.05         |
|   | Reduction in highways contract overspend due to review of inflation rates and resulting reduction in payments to Tarmac | 0.05         |
|   | Clean and Green release of underspend on supplies & services  | 0.04         |
|   | Release of pay & pensions reserve   | 0.42         |
| <b>Total Mitigation included for Economy, Environment &amp; Communities</b> |   | <b>1.02</b>  |
| Resources & Transformation  | Redundant buildings reserve   | 0.25         |
|   | Release of pay & pensions reserve   | 0.25         |
| <b>Total Mitigation for Resources &amp; Transformation</b>                  |   | <b>0.50</b>  |
| Corporate   | Release of capital financing transfer to reserves   | 3.21         |
|   | Release of Public Health reserve  | 1.58         |
| <b>Total Mitigation for Corporate</b>                                       |   | <b>4.79</b>  |
| <b>Total Mitigation included in forecast outturn</b>                        |   | <b>16.09</b> |

**Appendix 4: Benefits 2022/23 currently identified as at risk of delayed delivery**

| Directorate / Area                                | Benefit   | Original Full Benefit<br>£ | Value of benefit at high risk of non-delivery<br>£ | Value to be Mitigated In Year<br>£ | Reason  | Directorate Mitigating Actions                    |
|---|---|----------------------------|--|------------------------------------|---|---|
| <b>Adult Social Care, Public Health &amp; Hub</b> |   |                            |  |                                    |   |   |
| Adult Social Care                                 | Older People & Front Door – Existing Clients                              | 4,540,550                  | 934,114  | 0                                  | Delivery plans being finalised  | No mitigation                                     |
| Adult Social Care                                 | Older People & Front Door – New Clients                                   | 2,318,301                  | 988,947  | 0                                  | Delivery plans being finalised  | No mitigation                                     |
| Adult Social Care                                 | Review for learning disabilities joint funding tool                       | 1,757,270                  | 1,757,270  | 327,526                            | Currently in negotiation 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                                 | 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                                     |
| 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                                     |
| 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 |
| 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 to be finalised by 31 March 2023  | One-off use of reserve in 2022/23                 |
| <b>Total ASC, Public Health &amp; Hub</b>         |   | <b>10,005,100</b>          | <b>5,069,310</b>                                   | <b>851,521</b>                     |   |   |

| Directorate   | Benefit  | Original Full Benefit<br>£ | Value of benefit identified as at high risk of non-delivery<br>£ | Value to be Mitigated In Year<br>£ | Reason  | Directorate Mitigating Actions  |
|---|--|----------------------------|--|------------------------------------|---|---|
| <b>Economy, Environment &amp; Communities</b>       |  |                            |  |                                    |   |   |
| Economy, Environment & Communities                  | Clean, Green & Leisure restructure and delivery model review                         | 601,728                    | 459,134  | 459,134                            | Work to redesign service delivery models is still ongoing - report expected later in the year   | Mitigation by general underspends within Clean and Green (largely waste disposal costs)                           |
| Economy, Environment & Communities                  | Premium bulky waste collection service (as recommended in 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                     | Forecast suggests increased income achievable in Arts & Events therefore benefit likely to be mitigated this year |
| 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   |
| <b>Total Economy, Environment &amp; Communities</b> |  | <b>746,758</b>             | <b>604,164</b>   | <b>604,164</b>                     |   |   |
| <b>Children's Services</b>                          |  |                            |  |                                    |   |   |
| Children's Services                                 | Review of current establishment and reduction in the use of agency staff             | 747,820                    | 350,000  | 350,000                            | Delay in recruitment of social workers needed to reduce spend on agency                         | Use of reserve one off in year to offset delay in achievement of benefit  |
| <b>Total Children's Services</b>                    |  | <b>747,820</b>             | <b>350,000</b>   | <b>350,000</b>                     |   |   |
| <b>Total</b>  |  | <b>11,499,678</b>          | <b>6,023,474</b>   | <b>1,805,685</b>                   |   |   |

## Appendix 5 - Re-phasing of capital funded schemes 2022/23 to 2023/24

| Project  | £m    |
|--|-------|
| <b>Council Funded</b>                                    |       |
| Regenerating Walsall                                     | 0.22  |
| Children in Care - out of borough placements             | 0.13  |
| Council House internal decoration                        | 0.03  |
| Civic Centre plumbing                                    | 0.04  |
| Walsall Town Centre Public Realm improvements            | 0.36  |
| Darlaston Strategic Development Area (DSDA)              | 0.01  |
| Enterprise Zones   | 3.10  |
| Future High Street Fund                                  | 1.42  |
| Council House smoke & heat detection fire alarm          | 0.33  |
| MyCMIS   | 0.01  |
| Promotion of community health & safety                   | 0.05  |
| Willenhall Masterplan                                    | 2.24  |
| MyCMIS - asset management tracking system                | 0.00  |
| Bloxwich Town Deal                                       | 1.03  |
| Walsall Town Deal  | 1.00  |
| Social housing decarbonisation                           | 0.28  |
| Essential Microsoft upgrades & foundation for Office 365 | 0.00  |
| ICT – safe and secure environment                        | 2.84  |
| Proud - ICT  | 0.08  |
| Enabling technology                                      | 4.79  |
| Maintaining a safe and secure environment                | 0.12  |
| Telephony cloud based system                             | 0.33  |
| Smartphones  | 0.27  |
| Civic Centre heating                                     | 1.10  |
| Council House windows                                    | 1.29  |
| Council House general heating                            | 2.12  |
| Operation repair & maintenance of council buildings      | 0.15  |
| Council House roof repairs                               | 1.47  |
| Willenhall Lane travellers site pumping station          | 0.01  |
| Equity investment  | 14.82 |
| Regional materials recycling facility                    | 0.12  |
| Challenge block  | 0.03  |
| Middlemore Lane household waste recycling centre         | 9.70  |
| Allotment boundary improvement works                     | 0.17  |
| Play areas & outdoor gym improvements                    | 0.44  |
| Yorks bridge   | 0.75  |
| Lighting invest to save                                  | 3.24  |
| New Homes Bonus  | 0.08  |
| Capital investment earmarked reserve                     | 4.47  |
| Hatherton Road car park                                  | 0.06  |
| Hatherton Road Mscp structural maintenance               | 0.20  |
| <b>Externally funded</b>                                 |       |
| Purchase of dispersed temporary accommodation            | 1.38  |
| Basic need   | 20.00 |
| Capital maintenance                                      | 2.13  |
| High Needs Provision Capital allocation (HNPCA)          | 5.73  |
| M6 Junction 10 highway improvements                      | 0.94  |

| <b>Project</b>   | <b>£m</b>     |
|--|---------------|
| West Midlands Strategic Transport Plan (Stp) 'Movement for Growth' | 1.03          |
| Local Transport Plan – Yorks bridge                                | 0.13          |
| Future High Street Fund  | 2.20          |
| Bloxwich Town Deal   | 0.17          |
| Barr Beacon security & infrastructure works                        | 0.06          |
| Walsall Town Deal  | 3.44          |
| Off gas scheme   | 0.07          |
| Social housing decarbonisation                                     | 0.61          |
| Academies  | 0.30          |
| Electric vehicle charging point installation                       | 0.25          |
| Land & property investment fund                                    | 22.19         |
| Growing Places Fund  | 1.38          |
| Limestone surveys  | 0.12          |
| <b>Total</b>   | <b>121.06</b> |



## Appendix 6: Financial Health Indicators – @ December 2022

| <b>Treasury Management</b>  | <b>2021/22 Actual</b> | <b>2022/23 Target</b> | <b>2022/23 Actual</b> |
|---|-----------------------|-----------------------|-----------------------|
| Average Interest Rate (Borrowing)                                   |                       |                       |                       |
| - Excluding other local authorities                                 | 3.59%                 | 3.52%                 | 3.69%                 |
| - Including other local authorities                                 | 3.65%                 | 3.62%                 | 3.77%                 |
| 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%                | 7.28%                 |
| Capital Financing Requirement (£m)                                  | 417.36                | 411.85                | 374.49                |
| Authorised limit for external Debt (£m)                             | 498.30                | 474.38                | 474.38                |
| Investment Rate Average (excl Property fund)                        | 0.38%                 | 0.48%                 | 1.29%                 |

| <b>Balance Sheet Ratios</b>  | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> | <b>2021/22 (draft)</b> |
|--|----------------|----------------|----------------|----------------|------------------------|
| Current Assets: Current Liabilities  | 1.03           | 1.68           | 2.39           | 2.01           | 1.96                   |
| Useable Reserves: General Revenue Expenditure                                      | 0.65           | 0.72           | 0.73           | 1.02           | 1.07                   |
| Long Term Borrowing: Tax Revenue (Using both council tax and NNDR for tax revenue) | 1.20           | 1.36           | 1.43           | 1.83           | 1.49                   |
| Long Term Assets: Long Term Borrowing  | 2.34           | 2.05           | 1.86           | 1.83           | 2.14                   |
| Total School Reserves: Dedicated School Grant                                      | 0.05           | 0.06           | 0.05           | 0.08           | 0.08                   |

| <b>Revenues Performance</b><br>% collected for financial year | <b>2020/21 Actual Collected in total as at 31.12.22</b> | <b>2021/22 Actual Collected in total as at 31.12.22</b> | <b>2022/23</b>          |                       |
|---|---|---|-------------------------|-----------------------|
|   |   |   | <b>Profiled 2022/23</b> | <b>Actual 2022/23</b> |
| Council tax %   | 96.5%   | 94.6%   | 75.1%                   | 75.2%                 |
| Total Council Tax collected                                   | £13,596,163   | £145,130,809  | £120,000,000            | £119,866,740          |
| National Non Domestic Rate (NNDR) %                           | 96.4%   | 97.5%   | 77.6%                   | 83.6%                 |
| Total NNDR collected  | £45,999,630   | £60,120,990   | £56,350,000             | £60,724,375           |

| <b>Debtors and Creditors Performance</b>                           | <b>2021/22 Actual</b> | <b>2022/23</b> |               |
|--|-----------------------|----------------|---------------|
|  |                       | <b>Target</b>  | <b>Actual</b> |
| 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         | 7 days        |

| <b>Management of Resources</b>           | <b>2022/23</b>                          |                    |                      |
|--|---|--------------------|----------------------|
| <b>Service Analysis</b>                  | <b>Target</b>                           | <b>Actual</b>      | <b>Variance</b>      |
| Adult Social Care, Public Health and Hub | 60,182,241                              | 64,197,453         | 4,015,212            |
| Children's Services                      |   |                    |                      |
| - Children's and Education               | 60,728,165                              | 67,953,062         | 7,224,897            |
| - Customer Engagement                    | 3,442,963                               | 2,410,102          | (1,032,861)          |
| Economy and Environment                  | 36,666,429                              | 34,957,985         | (1,708,444)          |
| Resources and Transformation             | 32,544,535                              | 31,969,727         | (574,808)            |
| Council Wide                             | 36,399,191                              | 28,417,743         | (7,981,448)          |
| NNDR/Top Up                              | (91,538,275)                            | (91,538,275)       | 0                    |
| <b>Total Net Revenue Expenditure</b>     | <b>138,425,249</b>                      | <b>138,367,797</b> | <b>(57,452)</b>      |
| General Reserves                         | <b>Minimum £6.6m<br/>Maximum £16.5m</b> | <b>N/A</b>         | <b>N/A</b>           |
| Council Funded Capital Expenditure       | 92,135,640                              | 32,572,253         | (59,563,387)         |
| External Funded Capital Expenditure      | 139,865,797                             | 77,717,720         | (62,148,077)         |
| <b>Total Capital Expenditure</b>         | <b>232,001,437</b>                      | <b>110,289,973</b> | <b>(121,711,464)</b> |
| Capital Receipts                         | 2,500,000                               | 2,600,000          | 0.00                 |

| <b>Management of Resources</b>           | <b>2021/22</b>     |                    |                      |
|--|--------------------|--------------------|----------------------|
| <b>Service Analysis</b>                  | <b>Target</b>      | <b>Actual</b>      | <b>Variance</b>      |
| Adult Social Care, Public Health and Hub | 58,901,217         | 63,395,662         | 4,494,445            |
| Children's Services                      |                    |                    |                      |
| - 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)          |
| <b>Total Net Revenue Expenditure</b>     | <b>132,545,781</b> | <b>131,051,197</b> | <b>(1,494,584)</b>   |
| 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)         |
| <b>Total Capital Expenditure</b>         | <b>235,854,210</b> | <b>78,385,595</b>  | <b>(157,468,615)</b> |
| Capital Receipts                         | 4,231,584          | 3,978,763          | (252,821)            |

## What this tells us

| <b>Treasury Management</b>                    |   |
|---|---|
| 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.                         |

| <b>Balance Sheet Ratios</b>   |   |
|---|---|
| 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<br>Using only council tax for tax revenue<br>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.   |

| <b>Revenues Performance</b>   |   |
|---|---|
| <b>% Collected for Financial Year</b>                               |   |
| 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<br>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.  |

| <b>Management of Resources</b>  |   |
|---|---|
| <b>Service Analysis</b>   |   |
| Children's Services<br>Economy and Environment<br>Adult Social Care<br>Resources and Transformation<br>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.  |

## Appendix 7: Prudential indicators – December 2022

| Prudential Indicator   |   | Actual<br>2021/22<br>£m   | Target<br>2022/23<br>£m | Actual<br>Position<br>at 31<br>December<br>2022<br>£m                           | Variance to target    |               |
|--|---|---|-------------------------|---|-----------------------|---------------|
|  |   |   |                         |   | Numerical<br>Variance | %<br>Variance |
| <b>Pr1 1</b>   | <b>Capital Expenditure</b>  | 78.385  | 232.010                 | <b>110.29</b>   | -121.72               | -52%          |
| This indicator is required to inform the council of capital spending plans, it is the duty of a local authority to determine and keep under review the amount that it can afford to allocate to capital expenditure. Capital expenditure may be funded by grant, capital receipts and borrowing. |   |   |                         |   |                       |               |
| <b>Pr1 2</b>   | <b>Ratio of financing costs to net revenue stream</b>   | <b>7.23%</b>  | 9.76%                   | <b>4.10 %</b>   | -5.66%                | -58%          |
| <b>Financing costs - Divided by</b><br>(Interest charged on loans<br>Less Interest earned on<br>investments)   |   | <b>Budget requirement</b><br>(Revenue Support Grant<br>+ NNDR +Council Tax) |                         | <b>The ratio of financing costs to net revenue stream (General Fund) as a %</b> |                       |               |
| <b>Pr1 3</b>   | <b>Estimates of the incremental impact of new capital investment decisions on Council Tax</b> | <b>£52.43</b>   | £43.02                  | <b>£43.02</b>   | 0.00                  | 0%            |
| This is a notional amount indicating the amount of council tax band D that is affected by the capital programme in the budget report compared to existing approved commitments and current plans.  |   |   |                         |   |                       |               |
| <b>Pr1 4</b>   | <b>Capital Financing Requirement</b>  | <b>417.360</b>  | 411.850                 | <b>374.499</b>  | -37.351               | -9%           |
| This represents the underlying level of borrowing needed to finance historic and future capital expenditure. It is updated at end of the financial year.   |   |   |                         |   |                       |               |
| <b>Pr1 5</b>   | <b>Authorised Limit for external debt</b>   | <b>498.300</b>  | 474.380                 | <b>474.380</b>  | 0.00                  | 0%            |
| The council may not breach the limit it sets, so it is important to allow prudent room for uncertain cash flow movements and borrowing in advance of future need.  |   |   |                         |   |                       |               |
| <b>Pr1 6</b>   | <b>Operational Limit for external debt</b>  | <b>453.00</b>   | 431.25                  | <b>431.25</b>   | 0.00                  | 0%            |
| This has been set at the level of the capital financing requirement less the CFR items relating PFI and finance leases.  |   |   |                         |   |                       |               |
| <b>Pr1 7</b>   | <b>Gross Borrowing exceeds capital financing requirement</b>                                  | <b>No</b>   | <b>No</b>               | <b>No</b>   |                       |               |
| The CFR represents the underlying level of borrowing needed to finance historic capital expenditure. Actual net borrowing should be lower than this because of strong positive cash flow and balances. It would be a cause for concern if net borrowing exceeded CFR.                            |   |   |                         |   |                       |               |
| <b>Pr1 8</b>   | <b>Authority has adopted CIPFA Code of Practice for Treasury Management</b>                   | <b>Yes</b>  | <b>Yes</b>              | <b>Yes</b>  |                       |               |
| To ensure that treasury management activity is carried out within best professional practice.  |   |   |                         |   |                       |               |
| <b>Pr1 9</b>   | <b>Total principle sums invested for longer than 364 days must not exceed</b>                 | <b>5.0</b>  | <b>25.0</b>             | <b>0.0</b>  |                       |               |
| The council is at risk when lending temporarily surplus cash. The risk is limited by investing surplus cash in specified investments and by applying lending limits and high credit worthiness. These are kept under constant review.  |   |   |                         |   |                       |               |

| Prudential Indicator continued |   | Upper Limit | Lower Limit | Actual<br>2021/22 | Actual Position<br>at 31<br>December<br>2022 |
|--------------------------------|---|-------------|-------------|-------------------|--|
| Prl 10                         | Fixed Interest Rate Exposure                  | 95.00%      | 40.00%      | <b>89.47%</b>     | <b>98.24%</b>                                |
| Prl 11                         | Variable Interest Rate Exposure               | 45.00%      | 0.00%       | <b>10.53%</b>     | <b>1.76%</b>                                 |
| Prl 12                         | <b><i>Maturity Structure of Borrowing</i></b> |             |             |                   |  |
|                                | Under 12 months                               | 25.00%      | 0.00%       | <b>22.94%</b>     | <b>16.95%</b>                                |
|                                | 12 months and within 24 months                | 25.00%      | 0.00%       | <b>10.53%</b>     | <b>10.55</b>                                 |
|                                | 24 months and within 5 years                  | 40.00%      | 0.00%       | <b>14.32%</b>     | <b>20.92%</b>                                |
|                                | 5 years and within 10 years                   | 50.00%      | 5.00%       | <b>2.07%</b>      | <b>0.00%</b>                                 |
|                                | 10 years and above                            | 85.00%      | 30.00%      | <b>50.14%</b>     | <b>51.58%</b>                                |

## Local Indicators as at 31 December 2022

| Local Indicators   |  | Actual<br>2021/22 | Target<br>2022/23                          | Actual<br>Position<br>as at<br>31<br>December<br>2022 | Variance to target   |               | Met |
|--|--|-------------------|--|---|--|---------------|-----|
|  |  |                   |  |   | Numerical<br>Variance  | %<br>Variance |     |
| L1   | Full compliance with prudential code                             | Yes               | Yes  | Yes   | -  | -             | Y   |
| L2   | Average length of debt   | 16.44             | Lower Limit 15 years, Upper limit 25 years | 16.51   | -  | -             | Y   |
| This is a maturity measure and ideally should relate to the average lifespan of assets.  |  |                   |  |   |  |               |     |
| L3a  | Financing costs as a % of council tax requirement                | 7.15%             | 20.00%                                     | 10.73%  | -9.27%   | -46.35%       | Y   |
| L3b  | Financing costs as a % of tax revenues                           | 4.60%             | 12.50%                                     | 7.28%   | -5.22%   | -41.80%       | Y   |
| These are a variation to Pr1 3 excluding investment income and including MRP (amount set aside to repay debt costs). The target figure of 12.5% represents an upper limit of affordable net borrowing costs as a percentage of tax revenues for the authority. The actual level of net borrowing costs is currently less than the upper limit, which in the main is linked to the work undertaken by the service to seek to secure favorable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs. |  |                   |  |   |  |               |     |
| L4   | Net actual debt vs. operational debt                             | 72.62%            | 85.00%                                     | 65.14 %   | -19.86%  | -23.36%       | Y   |
| This assists the monitoring of the authority's debt position.  |  |                   |  |   |  |               |     |
| L5   | Average interest rate of external debt outstanding excluding OLA | 3.59%             | 3.52%                                      | 3.69%   | 0.17%  | 4.93%         | N   |
| L6   | Average interest rate of external debt outstanding including OLA | 3.65%             | 3.62%                                      | 3.77%   | 0.15%  | 4.04%         | N   |
| The measure should be as low as possible. Other Local Authority debt (OLA) is managed on our behalf by Dudley council.   |  |                   |  |   |  |               |     |
| L7   | Gearing effect of 1% increase in interest rate                   | 3.69%             | 5.00%                                      | 3.81%   | 0.04%<br>This would increase the average interest rate payable from 3.81% shown in L6 to 3.85% |               | Y   |
| This relates risk management principles to the monitoring of the TM strategy. It measures the effect of a change in interest rates and the effect it may have on the capital financing costs.  |  |                   |  |   |  |               |     |
| L8   | Average interest rate received on STI vs. At Call rate           | 280.00%           | 807.00%                                    | -2.21%  | -809.21 %  | -100.27%      | N   |
| L9a  | AT call investments  | 0.10%             | 0.10%                                      | 1.36%   | 1.26%  | 1,260%        | Y   |
| L9b  | Short Term Investments   | 0.38%             | 0.50%                                      | 1.33%   | 0.83%  | 166.00%       | Y   |



| Local Indicators |  | Actual 2021/22 | Target 2022/23 | Actual Position as at 31 December 2022 | Numerical Variance | % Variance | Met |
|------------------|--|----------------|----------------|--|--------------------|------------|-----|
| L9c              | Long Term Investments  | 1.11%          | 0.80%          | 0.83%                                  | 0.03%              | 3.75 %     | Y   |
| L9d              | Property Fund Investments                                    | 3.45%          | 3.34%          | 3.80%                                  | 0.46%              | 13.63%     | Y   |
| L10              | Average interest rate on all ST investments (ST and AT call) | 0.29%          | 0.45%          | 1.34%                                  | 0.89%              | 197.78%    | Y   |
| L11a             | Average rate on all investments (ex. Property fund)          | 0.38%          | 0.48%          | 1.29%                                  | 0.81%              | 171.03%    | Y   |
| L11b             | Average rate on all investments (inc. property fund)         | 0.74%          | 0.91%          | 1.62%                                  | 0.71%              | 77.80%     | Y   |
| L12              | % daily bank balances within target range                    | 100%           | 99%            | 99%                                    | 0%                 | 0%         | Y   |

This measures how good our daily cash flow prediction is. A figure of 98% and above indicates a high level of accuracy.

## Cabinet – 8 February 2023

### Council Plan: Markers of Success Q2 22/23

|                            |  |
|----------------------------|--|
| <b>Portfolio:</b>          | Councillor M.A. Bird – Leader of the Council |
| <b>Related portfolios:</b> | All  |
| <b>Service:</b>            | Policy & Strategy Unit                       |
| <b>Wards:</b>              | All  |
| <b>Key decision:</b>       | Yes  |
| <b>Forward plan:</b>       | Yes  |

#### 1. Aim

- 1.1 To report on Quarter 2 of the 2022/23 Council Plan Markers of Success – highlighting achievements for that period and any support requirements to ensure the Markers are met.

#### 2. Summary

- 2.1. The new Council Plan was published In May 2022 and continues to present Walsall’s intention to focus on the five (5) EPICC<sup>1</sup> priorities, which were first introduced in the 2018/21 publication.
- 2.2. These priorities are underpinned by 10 outcomes (two outcomes per priority) and each outcome has two Markers of Success (two markers per outcome).
- 2.3. These 20 Markers of Success are the tools to measure performance throughout 2022/23, which informs the Council, Walsall residents and businesses and provides data/information to review and monitor throughout the year.
- 2.4. The performance for each Marker of Success will be reported to Cabinet on a quarterly basis.
- 2.5. This Paper is the report on the Markers of Success, covering the period July – September 2022 (i.e. Quarter 2)

---

<sup>1</sup> Economic growth, People, Internal focus, Children, Communities

**3. Recommendations**

- 3.1. That Cabinet notes the baseline measures set for 2022/23 and the performance in Q2 relating to the period July-September 2022
- 3.2. That Cabinet notes any key achievements, identified interdependencies and support required to achieve the Outcomes, set out in this report

**4. Report detail - know**

**Context**

- 4.1. A three-year Council Plan for 2022-25 was approved by Council and published in May 2022.
- 4.2. The Council Plan sets out 5 areas of focus (EPICC), 10 outcomes and 20 markers of success to assess performance and progress in delivery of the plan.
- 4.3. The quarterly reports present the Council directorates’ performance in relation to the agreed areas of focus (*see priorities and aimed outcomes below*)

**Council Corporate Plan priorities**

- 4.4. The five Council Plan priorities and ten outcomes:

| <b>Priorities:</b>  | <b>Outcomes:</b>  |
|---|---|
| <b>Economic:</b> enable greater local opportunities for all people, communities and businesses  | 1. Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place   |
|   | 2. Education, training and skills enable people to contribute to their community and our economy  |
| <b>People:</b> encourage our residents to lead active, fulfilling and independent lives to maintain or improve their health and wellbeing | 3. People can access support in their community to keep safe and well and remain independent at home  |
|   | 4. People are supported to maintain or improve their health, wellbeing and quality of life  |
| <b>Internal focus:</b> Council services are customer focused effective, efficient and equitable   | 5. We get things right, first time and make all services accessible and easy to use   |
|   | 6. The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring |
| <b>Children:</b> have the best possible start and are safe  | 7. Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential   |

|  |  |
|--|--|
| from harm, happy, healthy and learning well  | 8. Children grow up in connected communities and feel safe everywhere  |
| <b>Communities:</b> empower our communities so that they feel they are connected and belong in Walsall, creating safe and healthy places whilst building a strong sense of community | 9. Our communities will be more resilient and supportive of each other |
|  | 10. People are proud of their vibrant town, districts and communities  |

- 4.5. Responsibility for reporting performance against the Council Plan from 2022/23 onwards now lies with the Policy & Strategy Unit. This will allow the teams across the Hub to work closely with services to develop an insightful understanding of performance to help drive the achievement of our outcomes. However, Hub development is still ongoing and it is not yet operating at its full complement, so it was agreed with Corporate Management Team and Directors' Group that the existing Markers of Success would be continued for 2022/23, alongside development of the future process.
- 4.6. Each Marker of Success has an agreed baseline, the 'point zero' from which this year's Outcomes will continue to be measured. Each quarter, a template questionnaire is completed by the named 'data owner' and signed off by a director, which then populates the Dashboard.
- 4.7. Following adoption of the Council Plan 2022/25, some of the Outcomes and Markers of Success have been revised and the measures reported last year no longer reflect the Outcome. Where this is the case, new measures and baselines are being developed with Directors and data owners.
- 4.8. The summary below shows overall progress against targets. All outcomes have either met or exceeded the target set or are on course to do so by the end of 22/23 (including some outcomes where measures are still being developed and a narrative update has been provided).

| Performance | Qtr 2 |  |
|-------------|-------|--|
| Green       | 7     | MoS met / exceeded target                |
| Amber       | 13    | MoS close / on track to achieving target |
| Red         | 0     | MoS did not achieve target               |
| Grey        | 0     | Data/information not yet available       |

- 4.9. Overall performance compared with last year will be possible once returns are available for all priorities. And further Key Achievements will be included as an appendix should additional data be provided.
- 4.10. Data owners were also asked to identify 'interdependencies' alongside performance returns. While these are clearly understood for some Markers of Success, this is not the case across all, so gives only a partial picture of the work that is happening. Going forward, a more complete set of interdependencies will be identified and expanded, to fully understand the directorates' focus on building

and developing partnerships, internally and externally, to optimise service delivery. These will be included in a future quarterly performance report.

### ***Risk management***

- 4.11. Risks have been identified with regards to submitting quarterly and updating data for the agreed quarterly returns:
- i. Incomplete / current data unavailable,
  - ii. Resource constraints e.g. staffing,
  - iii. Unexpected demands from COVID e.g. having to redirect capacity to support the impact of the virus
- 4.12. Directors have identified what actions they will be taking and what additional support is required next quarter to achieve the 2022/23 Marker. These risks will be regularly reviewed.

### ***Financial implications***

- 4.13. There are no specific financial implications of this report

### ***Legal implications***

- 4.14. There are no direct legal implications from this report.

### ***Procurement Implications/Social Value***

- 4.15. There are no direct procurement implications from this report.

### ***Property implications***

- 4.16. There are no direct property implications from this report.

### ***Health and wellbeing implications***

- 4.17. Achieving the Outcomes published will contribute significantly to having a positive impact on the health and wellbeing of our residents and staff.
- 4.18. The importance of continuing to closely monitor these Measures of Success is acknowledged by all stakeholders.

### ***Staffing implications***

- 4.19. There are no direct staffing implications from this report.

### ***Reducing Inequalities***

- 4.20. The implications for and ability to reducing inequalities were considered when agreeing the Measures of Success for the new Council Plan.

- 4.21. Every successful Outcome will contribute to reducing inequalities in the Borough and supporting residents and staff desires to maximise their potential.

### ***Climate Change***

- 4.22. There are no direct implications to climate change from this report.

### ***Consultation***

- 4.23. Council directors discuss the Measures of Success at Directors' Group and submit the data for the quarterly returns, which informs and populates the dashboard and appendices.

## **5. Decide**

Cabinet agrees to the continuation of reviewing and reporting on the Markers of Success in this format on a quarterly basis in order for the Council to monitor the Outcomes outlined in the 2022-25 Council Plan, which will inform Cabinet on the 2022-25 forward plan.

## **6. Respond**

Progress on Markers of Success is currently monitored through the Corporate Management Team on a quarterly basis prior to submission to Cabinet.

## **7. Review**

Updates will be collated and presented to Cabinet on a quarterly basis.

**Background papers** - none

### **Annexes:**

Appendix 1 Q2 Markers of Success Dashboard

Appendix 2 Q2 Key Achievements

Appendix 3 Q2 Identified Interdependencies

### **Author**

David Williamson  
Policy, Strategy & Performance Officer

✉ [david.williamson@walsall.gov.uk](mailto:david.williamson@walsall.gov.uk)

Stephen Gunther  
Director of Public Health  
✉ Stephen.Gunther@walsall.gov.uk



Kerrie Allward  
Executive Director  
Adult Social Care, Public Health & Hub

31 January 2023



Councillor Bird  
Leader of the Council

31 January 2023

Council Plan Performance Reporting: Q2 22/23

|         | Outcome   | Marker of Success  | Lead Director(s)                 | Performance / Data owner contacts                        | Baseline measures - updated for 22/23   | Qtr1:<br>Apr - Jun<br>2022 | Qtr2:<br>Jun - Sep<br>2022   | Q2 Comment / Progress achieved to date   |
|---------|---|--|----------------------------------|--|---|----------------------------|--|--|
| ECONOMY | 1. Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place | 1a. Better connectivity, improved reliability and well maintained transport networks creating an environment where businesses are supported to thrive and grow | Philippa Venables                | Kathryn Moreton (Richard Pohribnyj)                      | Highways condition: free from defects (Source: Safety Inspections Monitor, Tarmac Contract KPI, UTC Dashboard)  | G                          | G  | 1. Highway safety inspections completed on time = 100%<br>2. Emergency defects attended to within 1 hour = 99%<br>3. Number of Urgent traffic signal faults repaired within time by contractor (%) = 100%<br>4. Number of Non-Urgent traffic signal faults repaired within time by contractor (%) = 99%<br>5. Traffic signal inspections completed on time = 100%  |
|         |   |  |                                  | Simon Tranter (Dan Turner)                               | Business Engagements (Source: Evolutive CRM & Walsall Works Records)  | G                          | G  | 77 business engagements logged for Q2 2022. This is through a range of one-to-one engagements, one of our business engagement days which took place in Darlaston, other networking sessions held by local partners and continued support for businesses already enrolled on our ERDF AIM for Gold programme.   |
|         |   | 1b. Regenerating the borough to support places where people are proud to live and work, delivering affordable homes and attracting inward investment           | Philippa Venables                | Simon Tranter (Joel Maybury)                             | Progress on the delivery of a range of development projects that will provide new housing and employment floorspace and enhance the town and district centres with a total package of investment of circa £500m | G                          | G  | A 2 year programme of remediation for the 18ha Phoenix 10 site has begun, once completed the site will be developed for circa 620,000sqft of new employment floorspace located directly adjacent to the M6 between J9 and J10 providing around 1100 jobs; work has also begun on another Enterprise Zone site with construction of a 113,000sqft unit commencing at Parallel 113 which can create a further 195 jobs; the Willenhall Framework Plan was supported by Cabinet in February 2022 and work is now ongoing to progress delivery of Phase 1 at Moat Street / Villiers Street for the development of 111 new homes; the Council has been awarded £11.4m from Future High Street Fund for the Connected Gateway project and detailed design work is now underway; work is taking place to progress projects that are part of both Walsall and Bloxwich Town Deals with £23.5m awarded to each area respectively. |
|         | 2. Education, training and skills enable people to contribute to their community and our economy  | 2a. Provide access to education, apprenticeships and training to improve productivity and skills   | Philippa Venables                | Simon Tranter (Jane Kaur Gill)                           | Walsall Apprentices on programme (BC Data Cube, April 2021)   | G                          | G  | Starts & Achievements for the academic year 2021/22 show that 1,920 apprentices were Walsall residents who began an apprenticeship (3,990 are participating in a programme of learning). 730 completed an apprenticeship and achieved a qualification. Walsall had the highest increase in starts, from 1740 in 2020/21 to 1920 in 2021/22 in the Black Country.   |
|         | 2b. Reducing unemployment through collaborative working with employers and partners   | Philippa Venables  | Simon Tranter (Jane Kaur Gill)   | Walsall Universal Credit Claimant Data (ONS, March 2021) | A   | A                          | ONS data shows a reduction in Universal Credit Benefit Claimants who are actively seeking employment from 10,285 in April 2022 to 9,545 in November 2022. This is a reduction of 805 claimants from the start of quarter one (April 2022) and end of quarter two (Sept 2022). There are still more than expected claimants who are aged 55 plus. |  |
| PEOPLE  | 3. People can access support in their community to keep safe and well and remain independent at home  | 3a. People are supported to build on their strengths and those in their communities to sustain their independence.   | David Hamilton                   | Jennie Pugh/Jeanette Knapper (Anne Doyle)                | Our success will be measured by the percentage of people approaching the Council for support who are successfully redirected to universally accessible community-based support to meet their needs              | G                          | G  | Total contacts received = 2439 (excluding Hospital contacts)<br>Number signposted = 1205<br>Percentage = 49%<br><br>Supplementing this 22.18% of Connection Assessments were signposted some of these with the addition of equipment, an improvement on the 17.6% of assessments signposted during Quarter 1.  |
|         |   | 3b. People feel safe in their home and community   | David Hamilton                   | Jennie Pugh/Jeanette Knapper (Anne Doyle)                | Our success will be measured by the percentage of people who report as part of their annual review, that assessed need delivered through community based services is contributing to feeling safe               | G                          | G  | 947 connections undertaken and completed during the quarter<br>Of these 311 led to a care and support plan equating to 32.84% of assessments leading to the start of a provision of long term services.<br><br>In Making Safeguarding Personal the percentage of people asked about their desired outcomes and where an outcome was expressed is 88%, of these 54% had their outcomes fully achieved   |
|         |   | 4a. People know how to maintain or improve their health and wellbeing and get timely support for this, where required.   | Stephen Gunther / David Hamilton | Jennie Pugh/Jeanette Knapper (Anne Doyle)                | Our success will be measured by outputs from the Healthy Lifestyle single wellbeing service, and aligned to development of the wider Wellbeing Outcomes Framework   | G                          | G  | Measures from existing Healthy Lifestyle single wellbeing service<br><br>2324 referrals into the service<br>515 received more intensive targeted support   |



|          |   |  |                |                                       |   |   |   |  |
|----------|---|--|----------------|---------------------------------------|---|---|---|--|
|          | 4. People are supported to maintain or improve their health, wellbeing and quality of life  | 4b. People can access timely social care support and reablement to prevent a hospital admission or facilitate a timely discharge | David Hamilton | Jennie Pugh/Kerrie Thorn (Anne Doyle) | Success will be measured by a reduction in emergency admissions and delayed transfers of care attributable to ASC - linked to ICS and reablement figures  | G | G | During Q2 - 143 service users were referred as hospital avoidance cases<br>The Outcomes for the service users referred for hospital avoidance:<br>•0 service users were fast tracked (Pathway 4)<br>•25 service users were Pathway 0 - signposted to other services and did not require care or reablement<br>•103 service users were admitted to Pathway 1 for reablement<br>•6 services users were admitted to Pathway 2 into a bed-based rehab facility<br>•9 service users were admitted to Pathway 3 for ongoing health and social care assessments in a bed-based facility<br>During Q2 – 660 service users were referred as hospital discharge cases onto Pathway 1 (Reablement in the community)<br>Total = 803 services users discharged, or admission avoided in Q2 of 22/23   |
| INTERNAL | 5. We get things right, first time and make all services accessible and easy to use   | 5a. Services will be accessible and easy to use with improved customer satisfaction  | Elise Hopkins  | Michelle Dudson                       | Infrastructure and tools to monitor on-going customer satisfaction are still under development. These are anticipated to be available when the right resources are in the Hub, and when we have introduced the additional functionality available in the Genesis Cloud system (and later on CRM). A quarterly progress update will be provided. Proxy baselines may be available from the annual customer survey. | A | A | Customer satisfaction survey is under development expected in Q2 2023 to capture feedback. Genesys telephony data shows that we are improving customer experience by reducing abandoned calls, wait times and a reduction in calls indicating a shift to self-service channels. Overall Customer Engagement services have 72% of customers opting to transact online. All 26 Walsall Connected sites are live offering customer's face to face support in accessing Council services digitally.  |
|          |   | 5b. Customers and partners report that they would recommend working with us in the future  | Tony Meadows   | Tony Meadows                          | Annual proxy measures to be used - sustaining/improving on performance from 21/22 - % of adult social care users reporting that the services they receive make them feel safer (85.8%) - % of people raising safeguarding alerts reporting that they achieved their desired outcome (88.8%)   | A | A | % of adult social care users reporting that the services they receive make them feel safer (85.8%)<br>% of people raising safeguarding alerts reporting that they achieved their desired outcome (88.8%)<br>There has been improved partner engagement within ASC provider forums to support the Reimagining Care transformation project that is taking place  |
|          | 6. The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring | 6a. Services will provide value for money measured through delivery of outcomes within agreed resources                          | Shaun Darcy    | Vicky Buckley                         | Delivering on our 3 Proud Promise measures:<br>• Improved outcomes and customer experience from current level of 73% to 77% by Apr 23<br>• Improved employee satisfaction and engagement from current level of 61% to 67% by Apr 23<br>• Improved service efficiency and performance (deliver within approved budget and deliver Proud savings)   | A | A | Customer experience and employee satisfaction annual surveys are planned for Q4 2022/23. Budget position and Outturn 2022/23: At Q2, the reported corporate financial position indicated a potential council wide variance to budget of £11m, primarily arising from children in care and Adult Social Care demand costs, delays in delivering adults social care savings and from the national pay award. Actions to address these had been identified, resulting in a net variance to budget of £50k. Since then, the position has improved. There is high confidence that the council will outturn on budget, with reserves intact. Ongoing pressures within social care and the cost of living are reflected in the draft 2023/24 proposals. There is some risk, primarily around the fair cost of care reforms within Adult Social Care. Regular updates are being provided on the position and actions to address these variances. |
|          |   | 6b. Services are trusted and customer focused measured through staff satisfaction/ engagement scores.                            | Michele Leith  | Michele Leith                         | Enabling Communication and Culture (ECC) work stream has been re-scoped, the themes in the new plan to be delivered include:<br>- Updating the action plan developed after the staff survey<br>- A pay and reward review<br>- Workforce Strategy<br>- Organisation Development Strategy<br>- Culture Stocktake: where are we now?   | A | A | A 3 year high level action plan has been produced, in addition to performance reporting to cabinet on staff satisfaction and engagement, progress against the actions will be measured within ECC workstream and by Proud Board. Rated Amber while themes are still being established and embedded   |
|          |   |  |                |                                       | % of children who attend good and outstanding schools   | G | G | 82% of children attended good and outstanding schools as at 30/09/2022<br>- direction of travel - improving  |
|          |   |  |                |                                       | % of 16, 17 and 18 year olds who are not in Education, Employment and Training  | G | G | 1.3% of young people are NEET, and 1.5% of young people are 'unknown', giving a total official figure of 2.8% - direction of travel – improving from baseline. Q2 data is at the start of the academic year is incomplete and will be updated in the Q3 report   |

| CHILDREN   |   |  |                                    |  |   |   |  |  |
|--|---|--|------------------------------------|--|---|---|--|--|
| 7. Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential  | 7a. Children and young people have access to high quality education and training opportunities and schools are more inclusive                                     |  | Helena Kucharczyk (Scott Degville) | % of children excluded from school (fixed term and permanent)  | A   | A | Quarter 2: New academic year started 5th September 2022, figures for quarter two include September 2022 only.<br>Primary<br>Suspensions – 0.02% (6) a decreased from 0.06% (16) when compared to September 2021-22 academic year - <i>direction of travel - decreasing</i><br>Permanent – 0.00% (0) – direction of travel – remained same when compared to September 21-22 academic year - <i>direction of travel - stable</i><br>Secondary<br>Suspensions – 0.33% (61) decreased from 0.32% (60) when compared to September 2021-22 academic year - <i>direction of travel - decreasing</i><br>Permanent – 0.01% (1) – decreased from 0.01% (2) when compared to September 2021-22 academic year - <i>direction of travel - decreasing</i>  |  |
|  | 7b. Children and young people with additional needs or in specific circumstances are identified and supported to have their health and education needs met.       |  | Helena Kucharczyk (Scott Degville) | % of Care Leavers who are in Education, Employment and Training  | A   | A | 54.5% of care leavers aged 19 to 21 were in EET at the end of Sept 22 – <i>direction of travel – increasing</i>  |  |
|  |   |  |                                    | % of EHC assessments completed within 20 weeks   | R   | R | Between 1st October 2021 and 30th September 2022 - 12.7% of EHC assessments were completed within 20 weeks - <i>direction of travel – decreasing</i>   |  |
|  |   |  |                                    | % of children in care with up to date health assessment  | A   | A | At end of Sept 2022, 78.3% of children in care for a continuous 12 months had an up to date health assessment – direction of travel – <i>fallen slightly on q1</i>   |  |
|  | 8. Children grow up in connected communities and feel safe everywhere   | 8a. Services and support is responsive to needs of different communities, partners are proactive in responding to these needs and children and families have easier and timelier access to services. |                                    | Helena Kucharczyk (Scott Degville)   | % of social care contacts which lead to a referral    | A | A  | 34.7% of requests for social care contacts led to a referral between 01/04/2022 and 30/09/2022 - <i>direction of travel – stable</i> |
|  |   |  |                                    |  | % of social care assessments completed within 45 days | G | G  | 89.6% of social care assessments completed within 45 days between 01/10/21 – 30/09/22 - <i>direction of travel – stable</i>          |
| 8b. Children and families are better connected with community resources to enable them to build resilience, are involved in developing their plans and can provide regular feedback. |   |  | Helena Kucharczyk (Scott Degville) | % of children and young people who contribute to their CP conferences  | G   | G | 96.4% of children and young people who contribute to their CP conferences between 01/10/21 – 30/09/22 – <i>direction of travel – increasing from baseline</i>  |  |
|  |   |  |                                    | % of children and young people who contribute to their LAC review  | A   | G | 99.5% of children and young people in care contributed to their review between 01/10/21 – 30/09/22 – <i>direction of travel – improved slightly</i>  |  |
|  |   |  |                                    | Number / Rate per 10,000 of children entering care   | G   | G | 173 or 25.3 per 10,000 age 0-17 of children entered care between 01/10/21 – 30/09/22 - <i>direction of travel – decreasing</i>   |  |
|  | Number of first time entrants into the criminal justice system  | A  | A                                  | Number of first time entrants into the criminal justice system - 63 with a rate 213.7 rate per 100,000 01/10/2021 and 30/09/2022 – <i>direction of travel – Increase</i>   |   |   |  |  |
| 9. Our communities will be more resilient and supportive of each other   | 9a. There will be a vibrant and diverse community and voluntary sector providing help and support where people need it with a range of volunteering opportunities | Paul Gordon  | Paul Gordon (Irena Hergottova)     | - Number of volunteering opportunities (One Walsall)<br>- Development of improved and joint volunteering infrastructure (PG designing through new tender)<br>- Number of new groups involved in voluntary sector (One Walsall)<br>- Qualitative feedback | TBC   | A | One Walsall Contract prepared for retendering in February/March 2023 setting out targets for community development, infrastructure support, capacity building and dealing with increasing diversity. Volunteering volumes and KPIs linked to key borough wide-plans (e.g. health inequalities, Council plan...etc) are included. Walsall Community Association Network expanded its activity to meet 'cost of living' pressures - leading on Slipper swap, slips and trips, Warm Walsall and Winter Coat campaigns. Walsall for All (W4A) Board agreed a new 'caretaker organisation and Chair (AANA Community Hub) new terms of reference, membership and plan of activity 2023-25. W4A Partnership communication campaign starts in March 2023- linked to the Building Community Cohesion in Walsall Conference. Making Connections referrals on the increase - links made with Hospital discharges. |  |
|  | 9b. Trust will be built within and between communities across the Borough   | Paul Gordon  | Paul Gordon (Irena Hergottova)     | - Involvement of CVS (excluding One Walsall) in anchor organisation committees<br>- Qualitative feedback   | TBC   | A | Resilient Communities VCS network meets quarterly and delivered WAW2040 consultation & engagement work stream involving 17 diverse organisations. Focus is on building trust, raising awareness of health inequalities funding, creating a network of 'cultural associates', taking part in WMCA Race Equality Task force, Community Tension workshop of Belong Network and advice to Electoral services on Election ID changes.   |  |

|             |   |   |            |                                  |  |   |   |   |
|-------------|---|---|------------|----------------------------------|--|---|---|---|
| COMMUNITIES | 10. People are proud of their vibrant town, districts and communities | 10a. The Borough's streets are clean, green and welcoming, with more waste recycled and less going to landfill              | Dave Brown | Joanne Cockbill                  | % of household waste by disposal method (reuse/recycle/composting; energy recovery; landfilled)  | A | A | <p>Outturn is available via Waste Data Flow published quarterly in arrears. Provisional figures are available for Q2 22/23 but may be subject to change.</p> <p>The Government's Circular Economy Package sets targets for the preparing for re-use and recycling of municipal waste to be 55% by 2025, 60% by 2030 and 65% by 2035 and to have no more than 10% of municipal waste going to landfill by 2035.</p> <p>In 21/22 the percentage of Walsall's household waste sent for reuse, recycling, or composting was 33.55%, so below target. In Q2 22/23 the provisional figure is 34.5%, for comparison Q2 21/22 was 37.2%. The cumulative figure for Q1 and Q2 2022/23 is 36.9%. This is predicted to decrease in Q3 &amp; 4 due to seasonal variation in garden waste sent for composting.</p> <p>Key achievements in Q2 included publishing the tender documents for the design and build of the new waste transfer station and Household Waste Recycling Centre (HWRC) facilities in Middlemore Lane. New facilities will enable more materials to be recycled and waste collections to be reviewed.</p> |
|             |   | 10b. People feel safe in their local area and anti-social behaviour and crime – particularly environmental crime is reduced | Dave Brown | Joanne Cockbill / Dave Elrington | <p>-How safe or unsafe do you feel when out and about in your local area during the day (77%) and after dark (26%) - baseline from WAW 2040 Residents' Survey.</p> <p>- Number/size/ type of Flytipping incidents dealt with by Clean and Green (Flycapture)</p> | A | A | <p>In Q2 2022/23 1106 fly tipping incidents were dealt by Clean and Green and Community Protection, giving a cumulative total of 2171 incidents for the year to date. This is a decrease from Q1 &amp; 2 2022/23 when 2243 incidents were dealt with. Flytipping incidents reported: 1,065 in Q1.</p> <p>Fly tipping enforcement complaints Q1 = 265, Q2 = 219 downward trend.</p> <p>Fixed Penalty Notices for vehicle littering Q1 = 14 Q2 = 71 upward trend</p> <p>Locality Tasking meetings were held around fly tipping and ASB issues in Blakenall as well as a Boroughwide discussion around problem void and derelict premises. A substantial piece of work has begun around Off Road Bikes ASB with Police colleagues using drones and fixed wing aircraft.</p>  |

|  | Outcomes:  | Markers of Success:   | Key Achievements:   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
|--|--|---|---|------------|--------|--------|--------|-------|-----|---------------------------|-------|------|--|-------|------|----------------------------------|-------|------|----------------------------|-------|------|---|-------|------|------------------------------|-------|-----|---|-------|------|-------------------------------|-------|------|--|-------|------|
|  | <p>1. Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place</p> | <p>1a. Better connectivity, improved reliability and well maintained transport networks creating an environment where businesses are supported to thrive and grow</p> <p>1b. Regenerating the borough to support places where people are proud to live and work, delivering affordable homes and attracting inward investment</p> | <p>A 2 year programme of remediation for the 18ha Phoenix 10 site has begun, once completed the site will be developed for circa 620,000sqft of new employment floorspace located directly adjacent to the M6 between J9 and J10 providing around 1100 jobs; work has also begun on another Enterprise Zone site with construction of a 113,000sqft unit commencing at Parallel 113 which can create a further 195 jobs; the Willenhall Framework Plan was supported by Cabinet in February 2022 and work is now ongoing to progress delivery of Phase 1 at Moat Street / Villiers Street for the development of 111 new homes; the Council has been awarded £11.4m from Future High Street Fund for the Connected Gateway project and detailed design work is now underway; work is taking place to progress projects that are part of both Walsall and Bloxwich Town Deals with £23.5m awarded to each area respectively.</p>   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| E  | <p>2. Education, training and skills enable people to contribute to their community and our economy</p>  | <p>2a. Provide access to education, apprenticeships and training to improve productivity and skills</p>   | <p>The Employment and Skills Team continue to deliver support to residents through the Walsall Works, Impact and Restart programmes in order to deliver positive outcomes for participants which will have a positive impact in the reduction of those claiming benefits. The volume of unique job postings has increased slightly since the previous quarter. This is coupled with the slight reduction over the quarter of Universal Credit benefit claimants seeking employment. This suggests that people are receiving relevant support to access and secure suitable employment and the labour market is still buoyant and feeding through new vacancies.</p> <p>There are still high and healthy volumes of job postings coupled with direct demands from employers for our services to support recruitment of roles in demand. However, the duration these vacancies are remaining live for appears to be longer hence suggesting there less interest in these roles and hence a possible mismatch between the types of job roles vs the aspiration of those seeking employment.</p> <p><b>Regional vacancy (type and volume) – August 2022</b></p> <table border="1" data-bbox="991 978 1947 1383"> <thead> <tr> <th>Occupation</th> <th>Number</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Nurses</td> <td>3,663</td> <td>-7%</td> </tr> <tr> <td>Sales Related Occupations</td> <td>2,998</td> <td>-17%</td> </tr> <tr> <td>Programme &amp; software development professionals</td> <td>2,941</td> <td>-16%</td> </tr> <tr> <td>Other administrative occupations</td> <td>2,949</td> <td>-13%</td> </tr> <tr> <td>Care workers &amp; home carers</td> <td>2,590</td> <td>-16%</td> </tr> <tr> <td>Human Resources &amp; Industrial Relations Officers</td> <td>2,290</td> <td>-13%</td> </tr> <tr> <td>Customer Service Occupations</td> <td>2,249</td> <td>-8%</td> </tr> <tr> <td>Manager and Proprietors in Other Services</td> <td>1,857</td> <td>-20%</td> </tr> <tr> <td>Marketing and Sales Directors</td> <td>1,746</td> <td>-19%</td> </tr> <tr> <td>IT Business Analysts, Architects and Systems Designers</td> <td>1,743</td> <td>-13%</td> </tr> </tbody> </table> <p>Through our employability programmes, we capture aspirations and skills needs through an individual development plan which is reviewed with participants on a regular basis. We continuously inform participants of live vacancies and go through career choices and if they do not possess the required skills or entry requirements to access employment in these sectors we try to encourage and support access to relevant training and qualifications. Through our support we provide real time local labour market intelligence, with a focus on key growth sectors and have recently collaborated with the National Careers Service to deliver bespoke sessions which help inform on the current labour market demands and provide relevant job search support.</p> <p>For our Restart participants we have introduced regular group information sessions inviting key employers to help participants understand and apply for their live vacancies and also to receive first-hand information about the roles for emerging vacancies. These sessions have offered an oversight on a number of vocational sectors and the employers include whg / NHS, Fairways Care, TJ Europe (TK Maxx), RAC, Atalian Servest, Balfour Beauty Vinci.</p> <p>This financial year we have received 1,518 customer contacts to commence employability support. For the period during Quarter 2, there have been a total of 590 contacts and new enrolments onto our employability programmes, these were either through mandatory or voluntary referral. These will also include young people enrolled to BC Impact and those supported at a grass route levels through the Community Renewal Funded (Works+ or 50+ programmes). During the same quarter 2, a total of 195 local people were supported with their employability which gave them access to employment, training, apprenticeships and paid work placements, as set out below.</p> | Occupation | Number | Change | Nurses | 3,663 | -7% | Sales Related Occupations | 2,998 | -17% | Programme & software development professionals | 2,941 | -16% | Other administrative occupations | 2,949 | -13% | Care workers & home carers | 2,590 | -16% | Human Resources & Industrial Relations Officers | 2,290 | -13% | Customer Service Occupations | 2,249 | -8% | Manager and Proprietors in Other Services | 1,857 | -20% | Marketing and Sales Directors | 1,746 | -19% | IT Business Analysts, Architects and Systems Designers | 1,743 | -13% |
| Occupation   | Number   | Change  |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| Nurses   | 3,663  | -7%   |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| Sales Related Occupations                              | 2,998  | -17%  |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| Programme & software development professionals         | 2,941  | -16%  |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| Other administrative occupations                       | 2,949  | -13%  |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| Care workers & home carers                             | 2,590  | -16%  |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| Human Resources & Industrial Relations Officers        | 2,290  | -13%  |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| Customer Service Occupations                           | 2,249  | -8%   |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| Manager and Proprietors in Other Services              | 1,857  | -20%  |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| Marketing and Sales Directors                          | 1,746  | -19%  |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |
| IT Business Analysts, Architects and Systems Designers | 1,743  | -13%  |   |            |        |        |        |       |     |                           |       |      |  |       |      |                                  |       |      |                            |       |      |   |       |      |                              |       |     |   |       |      |                               |       |      |  |       |      |

| Outcome Type                                      | Year 22/23 |     |     |    |        |
|---|------------|-----|-----|----|--------|
|   | Q1         | Q2  | Q3  | Q4 | Actual |
| <b>WW Outcomes</b>                                |            |     |     |    |        |
| <b>People into Apprenticeships (funded)</b>       | 0          | 1   | 0   | 0  | 1      |
| <i>Walsall Works Apprenticeships (funded)</i>     | 0          | 1   | 0   | 0  | 1      |
| <i>Walsall Works Apprenticeships (LACs)</i>       | 0          | 0   | 0   | 0  | 0      |
| <b>People into Apprenticeships (non-funded)</b>   | 5          | 7   | 1   | 2  | 15     |
| <b>People into employment</b>                     | 105        | 116 | 69  | 11 | 301    |
| <b>People supported with employability skills</b> | 146        | 195 | 109 | 24 | 474    |
| <b>People into accredited training</b>            | 34         | 63  | 34  | 7  | 138    |
| <i>Full-Time Study</i>                            | 12         | 25  | 4   | 3  | 44     |
| <i>Part-Time Study</i>                            | 22         | 38  | 30  | 4  | 94     |
| <b>People in traineeships</b>                     | 2          | 3   | 2   | 3  | 10     |
| <i>Traineeship / Pre-App - Walsall Works</i>      | 0          | 0   | 2   | 3  | 5      |
| <i>Traineeship / Pre-App - Non WW</i>             | 2          | 3   | 0   | 0  | 5      |
| <b>People into work placements</b>                | 0          | 3   | 3   | 0  | 6      |
| <b>People into self-employment</b>                | 0          | 2   | 0   | 0  | 2      |
| <b>Kickstart Placements</b>                       | 0          | 0   | 0   | 1  | 1      |
| <i>Kickstart - Walsall Works Gateway</i>          | 0          | 0   | 0   | 1  | 1      |
| <i>Kickstart - Other Gateway</i>                  | 0          | 0   | 0   | 0  | 0      |
| <b>No of Customer Contacts</b>                    | 523        | 590 | 386 | 19 | 1518   |
| <b>No of Recruitment / Information Sessions</b>   |            |     |     |    |        |
| <b>No of new employers engaged</b>                |            |     |     |    |        |
| <b>No of job vacancies advertised</b>             | 69         | 44  | 55  | 0  | 168    |

|   |  |                    |                   |                   |                 |
|---|--|--------------------|-------------------|-------------------|-----------------|
| 2b. Reducing unemployment through collaborative working with employers and partners   | There has been a reduction in this quarter in the volume of local people in receipt of a Universal Credit Benefit. The data shows a reduction from 10,285 in April to 9,460 in September 2022. However, between September and November the numbers have increased slightly to 9,545 claimants.   |                    |                   |                   |                 |
|   | On closer review of the data, the increase in the volumes for those aged 25-49 years old, and this is most likely to be related to ongoing re-assessment of those on legacy employment support allowance and lone parents benefits to the new Universal Credit regime, rather than an increase in the volume of new claimants joining the register for the first time. |                    |                   |                   |                 |
|   | <b>Date</b>  | <b>ALL Age 16+</b> | <b>Aged 16-24</b> | <b>Aged 25-49</b> | <b>Aged 50+</b> |
|   | April 2022   | 10,265             | 1,925             | 5,920             | 2,420           |
|   | May 2022   | 9,885              | 1,860             | 5,680             | 2,345           |
|   | June 2022  | 9,690              | 1,795             | 5,575             | 2,315           |
|   | July 2022  | 9,525              | 1,815             | 5,450             | 2,265           |
|   | August 2022  | 9,620              | 1,880             | 5,455             | 2,280           |
|   | September 2022   | 9,460              | 1,835             | 5,395             | 2,230           |
|   | October 2022   | 9,315              | 1,840             | 5,300             | 2,175           |
| November 2022   | 9,545  | 1,880              | 5,450             | 2,215             |                 |
| The reduction in claimants since quarter 1 can be correlated to the breadth of support available through DWP and through other programmes funded through DWP welfare to work (Restart, Kickstart), Council funded programmes (Walsall Works), partner funded programmes (whg), ESF funded programmes and AEB funded provisions. Whilst there is no evidence, the strong |  |                    |                   |                   |                 |

|   |   |   |   |
|---|---|---|---|
|   |   |   | partnership working of the Walsall Employment and Skills Board and partners working in the welfare to work area, are very likely to be a contributing factor to this success. The Kickstart scheme has been a huge success in placing young people aged 16-24 years old into paid work placements and the Impact programme continues to support those aged 16-29 years old into positive outcomes.  |
| P | 3. People can access support in their community to keep safe and well and remain independent at home  | 3a. People are supported to build on their strengths and those in their communities to maintain and/or maximise their independence. | Introduction of enhanced recording for signposting activity in Mosaic to enable understanding of effectiveness for citizen and business intelligence on community resources.  |
|   |   | 3b. People feel safe in their home and community  | The base line is 40% or less assessments progress to provision of long-term services. Quarter 2 achieved 32.84%<br><br>In Making Safeguarding Personal the percentage of people asked about their desired outcome has remained static at nearly 90%<br>The full achievement of these outcomes has seen a decline from 63% to 54% but the partial achievement has increased from 31% to 39%  |
|   | 4. People are supported to maintain or improve their health, wellbeing and quality of life  | 4a. People know how to maintain or improve their health and wellbeing and get timely support for this, where required.              | Average mental wellbeing score (measured through WHO-5 validated questionnaire) for those that completed targeted support increased from 51.3 at assessment, to 63.6 at 12 weeks and 67.0 at 26 weeks.  |
|   |   | 4b. People can access timely social care support and reablement to prevent a hospital admission or facilitate a timely discharge    | Key achievements for Q2: <ul style="list-style-type: none"> <li>ICS Service Manager completed review of staffing in ICS Social Care and Therapy teams and will ensure vacant posts are advertised</li> <li>Therapy waiting list reduced from 10 weeks at start of Q1 to 3 weeks in September 2022</li> <li>Applied for Integrated Front Runner bid</li> <li>Presented ICS model to NHS England National Hospital Discharge and Recovery Team</li> </ul>   |
| I | 5. We get things right, first time and make all services accessible and easy to use   | 5a. Services will be accessible and easy to use with improved customer satisfaction   | <ul style="list-style-type: none"> <li>CXC telephony improvements, positive trend in most areas</li> <li>Alarms on phone lines to notify Team Leaders if a customer has been waiting over 5 minutes to allow effective resource allocation.</li> <li>Web Content Management System migration complete, website content up to date and accessible.</li> </ul> All 26 Walsall Connected sites are live offering customers face to face support in accessing Council services digitally.   |
|   |   | 5b. Customers and partners report that they would recommend working with us in the future   |   |
|   | 6. The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring | 6a. Services will provide value for money measured through delivery of outcomes within agreed resources                             |   |
|   |   | 6b. Services are trusted and customer focused measured through staff satisfaction/ engagement scores.                               |   |
| C | 7. Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential   | 7a. Children and young people have access to high quality education and training opportunities and schools are more inclusive       | <p>We have continued to embed our Vulnerable Learners Hub which is supporting vulnerable children who are risk of exclusion and has prevented a number of permanent exclusions from being enacted by providing support to schools and families.</p> <p>Inclusion has been identified as a key theme of the Walsall Strategic Alliance to be taken forward across the partnership.</p> <p>We have begun to implement the new requirements around attendance and have established a strategic attendance group to improve school attendance in Walsall.</p> |

|   |   |   |   |
|---|---|---|---|
|   |   |   | <p>The Walsall Learning Alliance has been established.</p>  |
|   |   | <p>7b. Children and young people with additional needs or in specific circumstances are identified and supported to have their health and education needs met.</p>  | <p>Following an extremely positive re-inspection of SEND provision in June 2022 which found that Walsall had achieved sufficient progress in seven of the nine areas of significant concern that had been identified in the 2019 inspection, we have written and submitted our Accelerated Action Plan (APP) to the Department for Education (DfE) which outlines how we will address the two remaining issues of concern – timeliness and quality of EHC plans and the Local Offer, over the next 12 months.</p> <p>A detailed analysis has been undertaken within the EHC assessment team to understand where the bottle necks are in completing EHC assessments. This has resulted in the identification of key areas where processes are being improved. As a result we are beginning to see improved timeliness in decision making at the start of the process when deciding whether to assess and in the middle of the process when decisions are made to issue a plan following assessment.</p> <p>We have been working closely with health colleagues to develop robust processes for the gathering of advice which will also support the move towards improving the overall timeliness of assessments.</p> |
|   |   |   |   |
|   |   | <p>8a. Services and support is responsive to needs of different communities, partners are proactive in responding to these needs and children and families have easier and timelier access to services.</p> | <p>The review of the front door has continued to refine processes, understand demand and highlight where issues need to be addressed. Clear action plans are being developed from this.</p> <p>Family Safeguarding continues to be embedded across the service and issues of sustainability are being addressed within the service and with partners.</p> <p>The implementation of the new Early Help MOSAIC process has begun.</p>   |
|   | <p>8. Children grow up in connected communities and feel safe everywhere</p>  | <p>8b. Children and families are better connected with community resources to enable them to build resilience, are involved in developing their plans and can provide regular feedback.</p>                 | <p>Development of the HAF programme has continued to support vulnerable families over the summer and the success of programme continues to go from strength to strength. Work has included:</p> <ul style="list-style-type: none"> <li>• Further work with schools to understand the short, medium and long term benefits of children taking part in HAF</li> <li>• Working with GPs as key trusted professionals to be part of the clever conversation approach and help more vulnerable families to benefit from the programme</li> <li>• Creating HAF community champions and volunteers – providing parents and carers who have had a positive experience through HAF with the right support to be directly involved with the programme, its communication and its marketing.</li> <li>• Exploring how we can maximises the delivery of HAF as an opportunity to mitigate against child poverty.</li> </ul> <p>We have employed a Local Offer Co-Ordinator to develop the SEND Local Offer and work with parents, carers, children and young people to ensure that they can contribute effectively to the co-production of work related to SEND.</p>  |
|   |   |   |   |
| C | <p>9. Our communities will be more resilient and supportive of each other</p> | <p>9a. There will be a vibrant and diverse community and voluntary sector providing help and support where people need it with a range of volunteering opportunities</p>                                    |   |
|   |   | <p>9b. Trust will be built within and between communities across the Borough</p>  | <p>Walsall Connected - Community Association Network and other geographically and culturally diverse organisations (17+) commissioned to become part of the WC hubs and Housing Support Hubs. 65 organisations became successful providers of HAF. Community, Equality and Cohesion team developed a research project in partnership with UMO and Caldmore Village garden – relating to understanding <b>Palfrey/Caldmore Youth Violence</b> The team continues to support Nash Dom, Afghan Association and RMC infrastructure to meet <b>needs of newly arrived refugee families (from Syria, Afghanistan, Ukraine)</b>. The team has presented best practice at the <b>WMCA Faith in Action Conference</b> and is now a member of the regional Faith in Action network, focusing on ‘cost of living crisis’</p> <p>Contribution of Resilient Communities and VCS in Walsall has been recognised in the national <b>Institute of Community Research and Development</b> for their community action during Covid pandemic.</p>  |

|   |   |  |  |
|---|---|--|--|
|   |   |  | NEXT STEPS <b>UKSPF</b> secured for VCS to improve bid writing, Mental Health First Aid and energy efficiency advice. Cohesion and Integration team are coordinating the <b>International Women's Day</b> community events in partnership with VCS. Homelessness/Feed network regular meetings – enhance the soup kitchen network. |
|   |   |  |  |
| 10. People are proud of their vibrant town, districts and communities | 10a. The Borough's streets are clean, green and welcoming, with more waste recycled and less going to landfill              |  | Key achievements include publishing the tender documents for the design and build of the new waste transfer station and Household Waste Recycling Centre (HWRC) facilities in Middlemore Lane. New facilities will enable more materials to be recycled and waste collections to be reviewed.                                      |
|   | 10b. People feel safe in their local area and anti-social behaviour and crime – particularly environmental crime is reduced |  |  |



|   | Outcomes:   | Markers of Success:  | Interdependencies:   |
|---|---|--|--|
| <b>ECONOMIC</b> - Enable greater local opportunities for all people, communities and businesses   | 1. Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place | 1a. Better connectivity, improved reliability and well maintained transport networks creating an environment where businesses are supported to thrive and grow |  |
|   |   | 1b. Regenerating the borough to support places where people are proud to live and work, delivering affordable homes and attracting inward investment           | <p>We rely on our ability to work with all government departments and strategic partners (Chamber, FE, DWP, Housing, Health, Local Authority) to collaborate and work together to share opportunities which engage our residents to improve their economic wellbeing.</p> <p>Continuous regeneration of the borough to support places where people are proud to live and work, delivering affordable homes and attracting inward investment is vital. There are direct opportunities to collaborate with physical regeneration schemes through the introduction of social value principles and initiatives which will create better access to services and support i.e. Towns Deal programme.</p>  |
|   | 2. Education, training and skills enable people to contribute to their community and our economy  | 2a. Provide access to education, apprenticeships and training to improve productivity and skills   | <p>Apprenticeship providers are largely responsible for sourcing, marketing and filling apprenticeship vacancies. We receive their monthly vacancy lists to promote to our participants but we are finding that employers are exclusively recruiting young people via schools and there are very few new apprenticeship starts which are available for adults wishing to enter employment through an apprenticeship route. Participation for adults is generally for those already in the workforce, and in particular, with large employers through the apprenticeship levy programme as this is a government driver to create new apprenticeships. There is much more work to do with employers around the opportunities to access new apprentice starts through the traineeship model especially given in some cases, employers only really wish to recruit learners who have just completed GCSE's with good maths, English and engineering qualifications. Unfortunately, this disadvantages willing young people who wish to participate in apprenticeships but who do not have the required entry requirement to commence a level 2 learning programme. Providers, including the College, are increasing their offer of traineeships in order to prepare and support young people to access apprenticeship vacancies which will also create a natural feeder to vacancies sourced by employers.</p> |
|   |   | 2b. Reducing unemployment through collaborative working with employers and partners  | <p>Statutory organisations are largely responsible for improvements required to achieve this marker of success ie DWP, JC+ Offices, FE Colleges and Training Providers. We continued to work closely with them to improve the quality of locally offered provision for our unemployed and low skilled residents.</p>   |
| <b>PEOPLE</b> - Encourage our residents to lead more active, fulfilling and independent lives to maintain or improve their health and wellbeing | 3. People can access support in their community to keep safe and well and remain independent at home  | 3a. People are supported to build on their strengths and those in their communities to maintain and/or maximise their independence.                            | Proud CAM project, work streams under Walsall Together and resilient communities project. CIP work streams 1, 2, 3, 4 and 6  |
|   |   | 3b. People feel safe in their home and community   | Proud CAM project, work streams under Walsall Together and resilient communities project. CIP work streams 1, 2, 3, 4 and 6  |
|   | 4. People are supported to maintain or improve  | 4a. People know how to maintain or improve their health and wellbeing and get timely support for this, where required.   | Aspiration to use a broader metric on wellbeing from April 2023 to align with Wellbeing Outcomes Framework being developed through Walsall Together  |

|   |   |   |   |  |
|---|---|---|---|--|
|   | their health, wellbeing and quality of life   | 4b. People can access timely social care support and reablement to prevent a hospital admission or facilitate a timely discharge                            | Acute trust team, Frail Elderly Service (FES), Community teams (NHS) such as rapid response and care navigation centre and independent sector are all interdependent on ICS pathways and have referral routes in. Out of Borough acute trusts refer to single point of access into ICS discharge team.<br>Ambulance diversions impact ICS hospital discharge team as this saw an increase in patients from local boroughs and a subsequent increase the number of medical stable patients and an increase in the average length of stay once medically optimised.<br>Independent sector provider is engaging in weekly meetings, MDTs and exploration of opportunities linked to TEC.   |  |
| <b>INTERNAL FOCUS</b> - Council services are customer focused effective, efficient and equitable      | 5. We get things right, first time and make all services accessible and easy to use   | 5a. Services will be accessible and easy to use with improved customer satisfaction   | <ul style="list-style-type: none"> <li>• Technical – feedback captured via web would need a mechanism/integration to do this and telephony requires our telephony supplier to integrate a solution also.</li> <li>• Resource – technical time and capability to do this.</li> <li>• Hub team to be established to take over ongoing development, management and embedding of this metric.</li> </ul>  |  |
|   |   | 5b. Customers and partners report that they would recommend working with us in the future   |   |  |
|   | 6. The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring | 6a. Services will provide value for money measured through delivery of outcomes within agreed resources   |   |  |
|   |   | 6b. Services are trusted and customer focused measured through staff satisfaction/ engagement scores.   |   |  |
| <b>CHILDREN</b> Have the best possible start and are safe from harm, happy, healthy and learning well | 7. Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential   | 7a. Children and young people have access to high quality education and training opportunities and schools are more inclusive                               | Schools are largely responsible for improvements required to achieve this marker of success. We continued to work closely with them to improve the quality of education for children and young people in Walsall.<br><br>The timeliness of EHC assessments often depends on the timeliness of receiving advice from partners who are required to contribute to the assessment. We are working closely with partners across the SEND Local Area to review and refine processes to improve timeliness and are developing guidance to support practitioners to produce quality advice.   |  |
|   |   | 7b. Children and young people with additional needs or in specific circumstances are identified and supported to have their health and education needs met. | The percentage of children in care with up to date health assessments is reliant on Health Colleagues being available to complete the assessments and submitting the paperwork back to the LA so that the child's record can be updated. There have been some issues with the timely submission of paperwork in particular, however, we continue to work with health colleagues to address this, and are assured that performance is likely better than reported as the assessments have actually taken place. Health provide assurance of their capacity to deliver health assessments via the Corporate Parenting Board. There are fortnightly strategic meetings between the LA and Health managers to develop collaborative working.<br><br>The ability for Care Leavers to access Education, Employment and Training is linked to the overall jobs market and availability of opportunities. There is a risk that any disruption to employment could impact on this indicator, although support will be provided to care leavers to mitigate this as much as possible. |  |

|   |   |   |   |
|---|---|---|---|
|   | <p>8. Children grow up in connected communities and feel safe everywhere</p>  | <p>8a. Services and support is responsive to needs of different communities, partners are proactive in responding to these needs and children and families have easier and timelier access to services.</p>   | <p>Contacts that result in No Further Action (NfA) rates remain high and work is being undertaken to look at the quality of MARFs with partners.</p> <p>Consent remains an issue - where there are no child protection concerns we are pushing back to referrers in some cases to get consent before progressing. In other cases, where consent has not been gained by the referrer, the contact is NFA due to parents refusing consent on contact. We are introducing the E-MARF to support with this issue.</p> <p>Although the indicators within this marker focus on the initial response at the front door, there are also increasing pressures throughout other areas of the social care system, most notably in relation to placements for children in care where costs are increasing and sufficiency is an issue.</p> <p>However, the Family Safeguarding programme continues to demonstrate success in reducing the number of children who become subject of plans or looked after and the length of time that children remain in care.</p>   |
|   |   | <p>8b. Children and families are better connected with community resources to enable them to build resilience, are involved in developing their plans and can provide regular feedback.</p>   | <p>We will continue to work with partners in order that a more rounded data analysis can be provided that supports the family safeguarding model and its impact on children being maintained in school, call outs from the police and presentation at A and E in order to support the development of a sustainable model.</p> <p>The exploitation pathway is dependent upon partnership commitment to resource and continued support to ensure the exploitation panel functions as a mechanism to identify and respond to risk, threat and harm.</p> <p>Continued collaboration with the violence reduction unit and support to enable the inclusion of children/young people in education where criminal exploitation is a known vulnerability.</p> <p>We are working with the Council's resilient communities team and with Walsall Together resilient communities partnership to continue the development of our Holiday Activity and Food programme to maximise opportunities to connect families to resources and enable them to be resilient.</p> |
| <p><b>COMMUNITIES -</b><br/>Empower our communities so that they feel they are connected and belong in Walsall, creating safe and healthy places whilst building a strong sense of community.</p> | <p>9. Our communities will be more resilient and supportive of each other</p> | <p>9a. There will be a vibrant and diverse community and voluntary sector providing help and support where people need it with a range of volunteering opportunities</p> <p>9b. Trust will be built within and between communities across the Borough</p> |   |
|   | <p>10. People are proud of their vibrant town, districts and communities</p>  | <p>10a. The Borough's streets are clean, green and welcoming, with more waste recycled and less going to landfill</p>   | <ul style="list-style-type: none"> <li>• Technical – feedback captured via web would need a mechanism/integration to do this and telephony requires our telephony supplier to integrate a solution also.</li> <li>• Resource – technical time and capability to do this.</li> <li>• Hub team to be established to take over ongoing development, management and embedding of this metric.</li> </ul>  |
|   |   | <p>10b. People feel safe in their local area and anti-social behaviour and crime – particularly environmental crime is reduced</p>  |   |

## Cabinet – 8 February 2023

### Derelict Sites Intervention

**Portfolio:** Councillor Andrew – Deputy Leader & Regeneration

**Related portfolios:** N/A

**Service:** Regeneration and Economy

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### 1. Aim

- 1.1 A key area of focus of the Council Plan 2022-25 is to have a thriving borough by creating vibrant places, with affordable working and living spaces. Derelict brownfield sites and long-term empty properties have a negative impact on the appearance of a neighbourhood and on the housing and employment opportunities across the borough. Bringing redundant sites and buildings back into active economic use will generate economic and environmental outputs for the area and contribute towards development targets, including new homes, employment floorspace and place making.

#### 2. Summary

- 2.1 In driving economic regeneration in the borough and providing residents with attractive and successful places to live and work, the Council will show leadership in creating improvements to neglected or abandoned sites, in a that could be brought back into use for housing and employment, as part of a robust place making strategy.
- 2.2 In July 2022, a Derelict Sites Task Force was established which developed an information base of problematic sites within the borough and a set of potential interventions to address them
- 2.3 The task force will look at all methods of interventions, through influence, enforcement and negotiation, to bring forward and restore derelict sites. Where these are unsuccessful, it will be necessary to consider compulsory purchase as a route to acquire the sites to restore them to use, preserve the public safety and environment and drive economic activity in the borough. Various public bodies, such as Local Authorities, the West Midlands Combined Authority (WMCA) and Homes England, have a range of powers to compulsorily acquire

land. As a local authority, the Council has powers to acquire land and buildings in private ownership to enable comprehensive and safe development, providing it can be shown that there is a “compelling case in the public interest”. The legal test for the use of Compulsory Purchase Order (CPO) powers is set high. There must be a clear case in the public interest; there must be a clear scheme for the redevelopment or regeneration of the area; and the making of a CPO must always be done as a last resort when all efforts to acquire by negotiation have failed, amongst other things.

- 2.4 The making of a CPO is a means to enable development and regeneration, but should never be used as a threat to landowners or as a ‘bargaining tool’. The Council’s Constitution does not provide any delegated authority for compulsory purchase. Accordingly, Cabinet authority is required before any step towards compulsory purchase can be made. There must be a clear case for a CPO and the Council must be prepared to see the process to completion, prior to making an Order. This includes preparing for a CPO to potentially proceed to a public inquiry where objections are made, and those objections are not able to be dealt with by negotiation.
- 2.5 This report invites Cabinet to support the use of compulsory purchase powers in-principle, where negotiations to purchase are not successful, to help facilitate the future development of derelict and underutilised regeneration sites and long-term empty properties and derelict land across the borough, in line with the Council’s own development aspirations. This could include, for example, sites identified within the Council’s development pipeline or funded regeneration programmes like Town Deal, where redevelopment by private landowners has not been forthcoming (e.g. long-term unoccupied/derelict with no planning proposals, or where planning consent has been awarded but no assurances or steps taken to implement in a timely manner or subsequently consent has lapsed) and negotiations to acquire via negotiated treaty prove unsuccessful. It could also extend to derelict and empty sites and buildings where an interested party requests assistance from the Council using its compulsory purchase powers.
- 2.6 Prior to making any CPO for any site in the borough, it is proposed that Cabinet receive a further report to a future meeting, setting out the detailed proposals and clear case for each CPO action, including costings in line with the relevant statutory guidance and legal tests, so that Cabinet can make an informed decision whether to use its CPO powers in respect of each individual property.
- 2.7 The recommendations of this report constitute a key decision, as there is the potential for the implementation to directly affect communities in an area comprising two or more wards in the borough, subject to the sites where the future use of compulsory purchase powers are sought.

### **3. Recommendations**

- 3.1 That Cabinet supports the use of compulsory purchase powers in-principle where:

- a) the land cannot be acquired by agreement within a reasonable timeframe; and
- b) the relevant statutory and Ministerial Circular tests for making a compulsory purchase order ('CPO') are met.

and either c) or d) applies:

- c) the use of CPO powers would help facilitate delivery of particular sites as part of a strategic regeneration scheme; and/or
- d) the site is a derelict and underutilised regeneration site, a long-term empty property and/or derelict land.

Noting that approval to make any compulsory purchase order would be subject to a future Cabinet report.

- 3.2 That Cabinet note that reasonable attempts will be made to acquire the various land interests of owners, occupiers or others with a legal interest in any site by agreement, before consideration is given to compulsory purchase powers.
- 3.3 That Cabinet agree the prioritisation process and criteria set out at paragraph 4.7 to be used to identify the most appropriate sites for compulsory purchase, and that a programme arising from this prioritisation should be endorsed by Cabinet in a further report, for inclusion in the capital programme.

#### **4. Report detail - know**

##### ***Context***

- 4.1 Across the borough there are a number of privately-owned brownfield sites and long-term vacant properties that continue to be undeveloped and left to deteriorate into dereliction causing blight in the local area. Many of these sites attract anti-social behaviour (e.g. vandalism, arson, drug abuse), vermin problems, and have an overall detrimental effect on the community, the environment and visible attractiveness and perceptions of the area.
- 4.2 As well as the environmental and community benefits of bringing sites and premises back into use, these sites are important to the borough's land supply and delivery of growth targets in relation to new homes and employment land. The redevelopment of brownfield sites will help reduce the pressure and need for the release of green belt land for development.
- 4.3 Whilst there are some responsible private owners who are proactive in bringing forward their assets for refurbishment or redevelopment, there are many examples where owners are unwilling or unable to achieve this, particularly within a reasonable timeframe, and despite concerted support and guidance from the Council (e.g. with planning and funding opportunities). This includes sites that are long-term unoccupied where the owner has no planning proposals or consent forthcoming for redevelopment; where the owner has secured

planning consent but provides no assurances, nor actively pursues steps to implement the permission in a timely manner; or where planning consent has been allowed to lapse.

- 4.4 Throughout the borough and our town and district centres, there is clear evidence of such long-term vacant sites. For example, former pub premises, redundant low quality industrial premises allocated for housing use, and empty buildings of conservation merit. There are also vacant brownfield sites within the regeneration pipeline that continue to be undeveloped, largely due to landowner expectations of valuations and viability. In cases of larger regeneration schemes where there are multiple private owners and interests, like in Walsall Town Centre and the Walsall to Wolverhampton Growth Corridor, achieving comprehensive redevelopment is also difficult without public sector intervention in land assembly.
- 4.5 As a local authority, the Council has powers to acquire land and buildings in private ownership to enable comprehensive and safe development, providing it can be shown that there is a “compelling case in the public interest”. The making of a CPO must always be done as a last resort when all efforts to bring forward redevelopment and acquire by negotiation have failed. This report seeks Cabinet authority to support the use of compulsory purchase powers in-principle, where negotiations to purchase are not successful, to facilitate and enable regeneration, subject to meeting the relevant guidance and tests, and subject to a further report to Cabinet setting out the detailed proposals and a clear case for each CPO action, including costings to enable an informed decision to be made prior to the making of any CPO.
- 4.6 In December 2022, Cabinet received a report for the Draft Revenue Budget and Draft Capital Programme. Due to long standing disuse and the associated problems with the site, along with the economic and social factors set out above, a development scheme was proposed (Appendix 4) for the Brown Jug Public House Compulsory Purchase Order, setting out land CPO costs with a legal/tax contingency. Additional enforcement measures are also being pursued in order to preserve public safety.
- 4.7 The Derelict Sites Task Force, set up by the Cabinet Member for Regeneration, has compiled a register of derelict sites and identified appropriate sets of measures in terms of public safety, building control, planning enforcement and any other areas where the Council can show leadership and have impact in improving the borough’s physical, economic and social condition. In addition, the taskforce has looked to identify strategic longer-term solutions to some of the sites, and has created a set of criteria through which to prioritise resource. The criteria are set out in the table below. In this way the interventions can be grouped accordingly and realistic, achievable routes to solutions can be identified. In some cases, partner intervention or corrective action by the present owners can be effective; in others a targeted intervention by the Council will be indicated through this process.

| <b>Criteria/Risk Factor</b> | <b>Score</b> | <b>Explanation</b>   |
|-----------------------------|--------------|--|
| Fire                        | 1-5          | Current concerns by the Fire Service including recent call outs to the premises for fires or near to other high-risk locations.  |
| Police                      | 1-5          | Current reports and issues identified by the Police including anti-social behaviour, exploitation, drugs, or other criminal behaviour at the premises.   |
| Children's Services         | 1-5          | Calls or reports to Children's Services with regards to anti-social behaviour, exploitation, drugs, or other criminal behaviour at the premises.   |
| Community Safety            | 1-5          | Reports received by Community Safety with regards to anti-social behaviour, modern day slavery or trafficking, links to radical groups at the premises.  |
| Community Protection        | 1-5          | Reports or concerns identified by Community/ Environmental Protection with regards to anti-social behaviour, fly tipping, bonfires, people gaining illegal access/unauthorised encampments, pest infestations etc at the premises. |
| Financial Debt              | 1-5          | Level of debt held against the property e.g. Council Tax, Business Rates, Work in Default etc, which could be used to leverage enforcement or regeneration activity.   |
| Impact/ Visibility          | 1-5          | Property is a high value target e.g. proximity/ relationship with adjoining property; key public gateway to the Town/District Centre, etc.   |
| Cost of intervention        | 1-5          | Total cost to the public sector to intervene e.g. acquire, demolish, secure, legal, redevelop/dispose.   |
| Building condition          | 1-5          | Structural integrity and safety; level of building dereliction.  |
| Enforcement Action          | 1-5          | Likelihood of successful enforcement action.   |
| Regeneration                | 1-5          | Links to wider regeneration objectives and initiatives.  |
| Building Listed Status      | 1-5          | Listed-5<br>Conservation Area-4<br>Locally Listed- 2<br>Non-heritage asset - 0   |
| Redevelopment potential     | 1-5          | Suitability of the site/premises for refurbishment or redevelopment for an economic use; development outputs.  |

### ***Council Plan priorities***

- 4.8 The Council has committed to five key areas of focus in the Council Plan 2022-2025, which support the overall aim of reducing inequalities and maximising potential. The proactive action to redevelop and bring strategic regeneration sites and long-term properties back into use will have a direct positive impact on the Council's ability to deliver its priorities, as stated in the Corporate Plan in particular:



Economic - Regenerating the Borough to support places where people are proud to live and work, delivering affordable homes and attracting inward investment.

Communities - Empower our communities so that they feel they are connected and belong in Walsall, creating safe and healthy places whilst building a strong sense of community.

### ***Risk management***

4.9 The Council is only able to use CPO powers as a last resort once it is satisfied that this is the only option left to acquire, and that there is a robust case for the use of such powers. When ascertaining the purpose, powers and extent of acquisition, the Council as the acquiring authority must consider whether it can demonstrate the existence of the following fundamental principles, which must exist if a CPO is to be confirmed:

- a) that there is a compelling case in the public interest;
- b) that the purposes for which the CPO is made justify interfering with the human rights of those with an interest in the land affected;
- c) that the land included in the CPO is needed for the purposes specified, and that there are no alternatives which involve less interference with third party property;
- d) how the land included in the CPO is going to be used i.e. there needs to be a clear, deliverable and viable plan for how the land is needed;
- e) that all necessary resources are or will be available to bring forward the underlying scheme for which the CPO is required within a reasonable timescale. Substantive details of the sources and timing of funding available for acquiring the land, implementing the scheme and paying compensation should be given, and;
- f) that the scheme is unlikely to be blocked by any physical or legal impediments to implementation, including any infrastructure accommodation works or remedial work or any planning permission or other consent or licence.

In most cases, a scheme will need to be evidenced by way of full planning permission. It is advisable that Cabinet only consider a report to make a CPO once planning permission has been granted. In some circumstances, planning permission will not be obtained first, or at all. This usually relates to large scale schemes where the planning process itself is likely to proceed to a public inquiry, in such cases there is clear benefit in running the two procedures together but it does carry greater risks.

Where planning permission for the underlying scheme has not yet been obtained, the acquiring authority must demonstrate that there is no reason why it might be withheld. Given that planning applications must be determined in accordance with the development plan, unless material considerations indicate otherwise, a statement from a planning consultant explaining why the balance lies in favour of granting permission may be useful.

- 4.10 In terms of the Secretary of State, any CPO must be submitted to the Secretary of State for Levelling Up, Housing and Communities for confirmation as the confirming authority. Confirmation of the CPO is subject to the Secretary of State being satisfied, that there is a balance between the intentions of the acquiring authority and the concerns of any objectors and the wider public interest, and also that the statutory procedures have been followed correctly.
- 4.11 The risks associated with the above general criteria and statutory procedures will need to be considered, and addressed as part of any future CPO case, so that Cabinet can make an informed decision whether to use its CPO powers pertaining to a specific identified site.

### ***Financial implications***

- 4.12 At this point, the financial implications are unquantified as negotiations have not yet taken place or are at an early stage for derelict sites in the Borough. When these negotiations progress, the purchase price will be subject to standard challenge by Corporate Landlord and the Section 151 officer and the availability of prioritised funds through the Capital Programme. The value of the sale will determine the subsequent approval route, as per thresholds set in the Standing Orders.
- 4.13 If a CPO is proposed, then there will be a number of associated costs relating to the acquisition, including the purchase price (based on market valuations), any disturbance payments, professional fees as well as the legal and land referencing costs in making the Order and, if necessary, the costs of any Public Inquiry and Lands Tribunal hearings. There would also be costs associated with any external support that may be procured to support the preparation of the CPO case and process (e.g. site due diligence [such as feasibility and survey work], valuations and planning), plus holding costs for securing and managing the site post a successful CPO acquisition.
- 4.14 Given the nature of brownfield sites and redundant properties that are likely to require CPO intervention, it is likely that there will also be a funding requirement to make future redevelopment viable (e.g. abnormal, remediation, infrastructure costs). As the acquiring authority, it will be for the Council to demonstrate that the funds are in place, and confirm the source of such funding to bring the proposed scheme to fruition. Funding and a clear and tangible scheme are therefore fundamental. Confirmation that the funding to deliver the scheme is in place is needed and required to sufficiently demonstrate that the scheme is likely to be delivered to justify interference with the Human Rights of those with an interest in the site.
- 4.15 A business case will be required for each proposed CPO case, for approval by the Strategic Investment Board (SIB), setting out the associated revenue and capital costs and sources of funding (i.e. internal and external) prior to seeking Cabinet approval for the making of a CPO. Sources of external funding may include public sector funding via the West Midlands Combined Authority or Homes England.

- 4.16 Where a report to Cabinet is being prepared for compulsory acquisition on behalf of a private developer, in order to bring about regeneration, the Council will need to obtain an undertaking from the developer that it will underwrite all of the Council's costs associated with the making of a CPO before any further steps are taken.

***Legal implications***

- 4.17 There are a number of compulsory purchase powers available to mainly public sector bodies, known as 'Acquiring Authorities.' Each power is set out in legislation known as the "enabling act" which sets out who can use the power, what the power can be used for, and criteria for confirmation of a compulsory purchase order in each situation. These are summarised in the table below.

|   |   |   |
|---|---|---|
| <b>Town and Country Planning Act 1990</b> | Local Authorities                                     | Section 226 enables local authorities to acquire land to deliver their planning policy objectives. Section 226(1)(a) enables an authority with planning powers to acquire land if they think it will facilitate development, redevelopment or improvement on or in relation to the land being acquired. Section 226(1)(b) allows an authority to acquire land required for a purpose which is necessary to achieve in the interests of the proper planning of an area in which the land is situated.  |
| <b>Housing Act 1985: Part 2</b>           | Local Authorities                                     | Section 17 empowers local housing authorities to acquire land, houses or other properties by compulsion for the provision of housing accommodation. Acquisition must achieve a quantitative or qualitative housing gain.  |
| <b>Housing and Regeneration Act 2008</b>  | Homes England<br><br>West Midlands Combined Authority | Under Section 9 Homes England, the non-departmental public sector body, has compulsory purchase powers to acquire land and new rights over land. To justify use of CPO powers, Homes England must demonstrate such powers would facilitate the achievement of its objectives as set out in section 2 of the Act. Under the devolution deal, Homes England's compulsory purchase powers have been devolved to the Mayor of the West Midlands Combined Authority. These powers are only to be exercised in agreement with the relevant local authority. |
| <b>Highways Act 1980</b>                  | Highway Authorities                                   | Part 12 of the Act enables Highway Authorities to compulsorily purchase land and interests in land. Sections 239 to 246 set out differing purposes for which land may be acquired for highways.   |

- 4.18 The purpose for which land is to be acquired, will define which enabling powers should be used. The most used power to assemble land interests for large redevelopment and regeneration projects is Section 226 of the 1990 Town & Country Planning Act. The Guidance on use of CPO powers is set out in the Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities and Local Government 'Compulsory purchase and compensation Guidance'. The Council will therefore, need to ensure that the criteria under the enabling act and guidance is satisfied prior to the making of any future Order.
- 4.19 The acquisition of land/property compulsorily is an interference with Human Rights of affected landowners. Section 6 Human Rights 1998 Act prohibits public authorities from acting in a way that is incompatible with the European Convention on Human Rights. The main articles of the Convention that are of importance in circumstances where the Council is considering making a CPO are Article 8 – the right to respect for private and family life and his/her home and Article 1 of the First Protocol – the protection of property. Furthermore, a CPO should only be made where there is a compelling case in the public interest, where the public interests of the development that underpins the Order outweighs the infringement of affected landowners' rights. An acquiring authority should therefore, be sure that the purposes for which it is making a CPO sufficiently justify interfering with the human rights of those with an interest in the land affected, having regard, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.
- 4.20 With regard to the funding solutions that may be required to deliver the proposed development scheme (referenced in Financial Implications above), any funding conditions imposed, together with timeframes on the availability of the funding stream will need to be carefully considered, in particular, their impact on delivery and development cost. The funding solution adopted will also need to be considered and tested to ensure it is state aid, and procurement compliant and within the Council's statutory powers.

#### ***Procurement Implications/Social Value***

- 4.21 There are no procurement implications in relation to the recommendations of the report at this stage. Any future procurement implications that arise from the Council directly undertaking a CPO, and preferred delivery route for the future development of the land to be compulsorily acquired will be considered as part of the business case for CPO and to be reported to a future Cabinet meeting.

#### ***Property implications***

- 4.22 There are no property implications in relation to the recommendations of the report at this stage. If the Council acquire sites through compulsory purchase, as landowner, the Council will have on-going responsibilities for the site until it is disposed of and/or developed. Such responsibilities could include, for example, maintaining site security/boundaries, management of existing tenancies, and responsibility for environmental liabilities and building

insurance. The funding source and budget for such revenue costs when acquiring property will need to be considered and identified as part of any future business case prior to the making of a CPO.

### ***Health and wellbeing implications***

- 4.23 Derelict sites and buildings typically attract neighbourhood complaints about matters such as accumulations of rubbish, rodent infestations, and attracting anti-social behaviour such as vandalism, drug taking and arson, as well as negatively impacting on the environment and perceptions of an area. All issues that can potentially negatively impact upon the health and well-being of Walsall's residents and the public. Bringing these sites back into use will help towards improving the environment and amenity of the local areas and provide new living and working opportunities for residents.

### ***Reducing Inequalities***

- 4.24 Council intervention through the use CPO powers, should only be used as a last resort. CPO action will have direct implications for owners and tenants whose private property/land are affected by potential acquisitions. The requirement and preparation of an Equalities Impact Assessment (EqIA) will be considered, in consultation with the Equalities service, on a site-by-site basis as part of the preparation for a CPO case.

### ***Staffing implications***

- 4.25 Internal and specialist external resourcing will be required to prepare, make and deliver any CPO case. This includes service areas such as Regeneration, Housing and Economy, Legal, Finance and Corporate Landlord, as well as external technical and legal advice to complete the necessary due diligence and evidence requirements.

### ***Climate Impact***

- 4.26 Derelict sites and older premises typically have poor/low building standards that are below current legislation requirements in regard to mitigating and protecting against climate change. The redevelopment of these sites will enable climate change implications and safeguarding, for example through design, building materials and layouts, to be mitigated as part of the planning process.

### ***Consultation***

- 4.27 When using any of the enabling powers for compulsory purchase, the Council needs to demonstrate that reasonable attempts to acquire the land by agreement have been made in advance of making a compulsory purchase order. The CPO Guidance is clear that there are benefits to running landowner negotiations in parallel with the compulsory purchase order process. The RICS Practice Statement on surveyors acting in relation to Compulsory Purchase also provides mandatory requirements and guidance for surveyors acting in these matters. Any future request for approval to make a CPO should provide

details of the negotiations and reasonable offers (based on full valuation evidence) made to those with interests in the land to acquire by agreement. Negotiations with the landowner must also continue through the CPO process.

## **5. Decide**

5.1 This report sets out the preferred option for the Council to intervene in bringing forward redundant and derelict brownfield sites (particularly where comprehensive land assembly across multiple owners is required) and long-term empty properties for redevelopment using its compulsory purchase powers.

5.2 The following alternative options have been considered:

- a) Do nothing - This would be a continuation of the existing position, whereby the Council relies on private landowners to bring forward their land and property interests for redevelopment and bring back into use. In this option there are no assurances that landowners will act independently and there is the risk that sites and buildings continue to deteriorate and negatively impact on the local environment and neighbourhood amenity, as well as attracting anti-social behaviour. This option would also not support the delivery of new homes and jobs through the brownfield regeneration.
- b) Council work with private owners to support redevelopment schemes coming forward (e.g. pre-planning guidance, funding bid support, negotiating acquisition). A CPO is a last resort and any case for a CPO must demonstrate this to be the case. The Council will, therefore, continue to work alongside private owners to bring sites back into use. However, in cases where timely and meaningful progress is exhausted, the case for Council intervention using compulsory purchase powers will be pursued.

## **6. Respond**

6.1 Significant work is to be carried out prior to the making of a CPO. This includes land ownership and site extent investigations, owner identification, establishing existing and potential uses of the site (this may include discussions with a stakeholder for end use), valuations, communications with owners and negotiations to purchase. The CPO process itself has a number of stages. The Council does not have the power to acquire land compulsorily until the Secretary of State confirms the CPO. The stages are thus:

- a) Ascertain the case for a CPO;
- b) Seek and obtain Cabinet authority to make the CPO;
- c) Make the CPO (including all statutory publications and consultations);
- d) Deal with objections/proceed to Public Inquiry;
- e) Secretary of State confirms CPO or declines to confirm Order;
- f) If not confirmed, there is no power to compulsorily acquire;

- g) If confirmed, valuers proceed to negotiate compensation and the site is vested in the Council;
- h) If compensation is not agreed, the question of compensation proceeds to the Lands Tribunal.

6.2 CPO is a lengthy process that can take approximately 18 months to resolve. However, should the case proceed to the Lands Tribunal, then the process will take longer. It is therefore imperative that Cabinet is presented with a clear and justifiable case for a CPO (as part of a future Cabinet report(s) on a case-by-case basis) and the Council must be prepared to see the process through to completion.

## 7. Review

7.1 The preparation of a CPO case will be overseen by the Council's internal 'Strategic Derelict Sites Task Force' comprised of officers from Regeneration, Legal, Housing, Planning, Finance and Corporate Landlord, with oversight and input from the Portfolio Holder for Regeneration, and funding approval via SIB.

7.2 Prior to making any CPO for any site within the borough Cabinet will receive a further report to a future meeting setting out the detailed proposals and clear case for CPO action.

## Appendices

None.

## Background papers

Compulsory Purchase and Compensation Guidance (guides 1-4), published by the Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities & Local Government

## Author

Philippa Venables  
Director- Regeneration & Economy  
✉ Philippa.Venables@walsall.gov.uk  
☎ 654762



Simon Neilson  
Executive Director

8 February 2023



Councillor Andrew  
Portfolio Holder

8 February 2023

## Cabinet – 8 February 2023

### Private Hire Vehicles in Bus Lanes

|                            |   |
|----------------------------|---|
| <b>Portfolio:</b>          | Councillor A. Andrew - Deputy Leader and Regeneration |
| <b>Related portfolios:</b> | None  |
| <b>Service:</b>            | Place & Environment                                   |
| <b>Wards:</b>              | All   |
| <b>Key decision:</b>       | No  |
| <b>Forward plan:</b>       | No  |

#### 1. Aim

- 1.1. To optimise the transport network for the benefit of the travelling public by allocating limited road space in the most appropriate way.

#### 2. Summary

- 2.1. On 9 January 2023 council approved a motion requesting cabinet to consider a change in policy to allow private hire vehicles (PHVs) to use bus lanes.
- 2.2. This report sets out the background to the current policy, the process required to make changes and the impact the changes are likely to have.
- 2.3. As the council is a member of the West Midlands Enhanced Partnership (EP) bus scheme, any changes to bus lanes are required to follow the process set out in the EP partnership agreement.

#### 3. Recommendations

- 3.1. That Cabinet approve informal consultation with members of the Enhanced Partnership (EP) Reference Group to determine if the proposal to allow private hire vehicles in bus lanes is likely to be approved.
- 3.2. That Cabinet delegate authority to the Executive Director for Economy, Environment & Communities, in consultation with the Deputy Leader & Cabinet Member for Regeneration, to consider the outcome of the informal consultation



and if the proposal is likely to be approved, make a formal application to vary the EP agreement to allow private hire vehicles in bus lanes where taxis are currently permitted.

## ✚ **Report detail - know**

### **Context**

4.1. On 9 January 2023 Council approved the following motion:

*This council:*

- *notes the important role played by the taxi and licenced private hire trade in the public transport provision in Walsall;*
- *recognises the valuable work carried out by taxi and private hire drivers, not least during the period of the pandemic, providing an essential service for our residents; and*
- *notes the positive impact on reducing the number of vehicles on the borough's roads and therefore on the air quality for our residents, by the use of public transport including taxis and private hire vehicles.*

*The Council therefore:*

- *requests that Cabinet receives a report on the implications of a change in policy to allow private hire vehicles to use bus lanes in the borough of Walsall.*

4.2. The current policy to exclude PHVs from bus lanes was approved by cabinet on 9 February 2011 (background paper ref. 1). PHVs had been permitted in the majority of bus lanes up to that point.

4.3. The report considered the outcome of a Birmingham trial to permit PHVs to use bus lanes. Prior to this trial PHVs were excluded from using bus lanes in Birmingham.

4.4. The trial concluded that impacts on enforcement, bus journey times and accidents were not significant. The results also indicated that there were no clear benefits for PHVs or any other road user types from allowing PHVs in bus lanes.

4.5. The report also considered the national guidance contained in local transport note 1/97, Keeping Buses Moving (background paper ref. 2). This guidance is still current and includes the following:

*“In some areas where taxis are permitted to use bus lanes there has been pressure from operators of cars available for private hire, most of which are indistinguishable from private cars, to be provided with the same priority; use of bus lanes by these vehicles is not recommended. The points about enforcement and interaction with buses mentioned above will be especially relevant to local authorities and police forces when deciding whether hire cars should be allowed to take advantage of bus priority measures.”*

- 4.6. Formal partnership arrangements between bus operators, the West Midlands Combined Authority (WMCA) and local authorities in the West Midlands are set out in the West Midlands Enhanced Partnership (EP) agreement and the associated plans and schemes.
- 4.7. Very few local authorities allow PHVs in bus lanes. Wolverhampton is the only authority in the West Midlands where this is permitted. This was introduced prior to the commencement of the West Midlands EP agreement. Therefore, the requirements set out in the legal implications section below did not apply.
- 4.8. Bus lanes are provided to improve the journey time reliability of buses, which increases their attractiveness. Any increase in the numbers of vehicles using bus lanes will reduce their effectiveness.
- 4.9. The list of current bus lanes, times of operation and permitted vehicles is contained in **Appendix 1**, which forms part of the West Midlands EP agreement. It should be noted that taxis and cycles are not currently permitted in all bus lanes.

### ***Risk Management***

- 4.10. There are some busy signalised junctions where any additional activation of the bus lane signals by additional authorised vehicles will have a disproportionate impact on the operation of the junction. There will need to be detailed individual evaluations at these locations, which include:
  - The Arboretum junction;
  - Wolverhampton Road/Hollyhedge Lane/Pleck Road junction; and
  - Ablewell Street/Town Hill/Upper Rushall Street gyratory.
- 4.11. Any increase in the number of vehicles using bus lanes will increase the risk to cyclists, who are also allowed to use most of them.

### ***Financial Implications***

- 4.12. By joining the partnership Walsall benefits from a share of £88M of bus service improvement plan (BSIP) funding.
- 4.13. All associated signing would need to be changed, with any replacement signs meeting current standards (TSRGD 2016). These standards would require the use of 'authorised vehicle' rather than 'PHV' on signs, which may lead to confusion regarding which vehicles are permitted.
- 4.14. Additional cost will be incurred with reviewing and processing the automatically captured digital evidence packs created by PHVs using bus lanes.

### ***Legal implications***

- 4.15. The EP plans and scheme is made under the Transport Act 2000 and is legally binding. The Enhanced Partnership Plans and Schemes (Objections) Regulations 2018 (background paper ref. 5) requires any changes to bus priority measure to be submitted to a meeting of the EP scheme reference group, which includes bus operators. If objections are made, a formal variation process (set out in the EP scheme) would be required. The formal process requires bus operators to be consulted on the proposed changes. If sufficient objections are submitted the variation cannot be made. The criteria for operator objections are set out below.
- 4.16. Criteria 1:
- The combined registered distance of all the qualifying local services operated by objectors in the relevant EP area is at least 25% of the total registered distance of all local bus services operated by all the bus operators in that area; and
  - where there are four or more operators in the relevant EP plan or scheme area, at least three are objectors; or
  - where there are less than four operators in the relevant EP plan or scheme area, all are objectors.
- 4.17. Criteria 2:
- At least 50% of the total number of operators of qualifying local services within the relevant plan or scheme area have objected; and
  - the combined registered distance of qualifying local services operated by the objectors in the relevant area is at least 4% of the registered distance of all local bus services operated by all the bus operators in that area.

- 4.18. Some of Wolverhampton's traffic regulation orders for bus lanes refer to 'private hire vehicles licenses by Wolverhampton City Council'. Further work is required to determine if PHV authorisation to use bus lanes could be restricted to those registered in Walsall, and whether it is Wednesbury reasonable balancing all the necessary considerations.

***Procurement Implications/Social Value***

- 4.19. No issues identified.

***Property implications***

- 4.20. No issues identified.

***Health and wellbeing implications***

- 4.21. As noted above, any increase in the number of vehicles using bus lanes will have an impact on cyclists, who are also allowed to use most of them.

***Staff Implications***

- 4.22. Further work is required to determine how much of the enforcement process could be automated if PHVs are permitted to use bus lanes. However, it is likely that more staff time would be required. Every violation may have to be checked by a civil enforcement officer to determine if the vehicle involved was a PHV and being used as such i.e. not being used for personal journeys or other uses such food deliveries. There are 973 licences PHVs in the borough. There will also be a large number of PHVs operating in the borough that are licenced elsewhere.

***Reducing Inequalities***

- 4.23. Access to a wide range of opportunities (such as employment, education, training, healthcare and leisure) are important to all residents. Bus lanes help to enable high-quality public transport, which can help ensure that young people, elderly people, people with disabilities and non-car drivers/owners, have access to the full range of services available in the Borough and wider West Midlands.
- 4.24. Most buses are fully accessible for wheelchair users and parents with buggies.
- 4.25. Some PHVs are wheelchair accessible, and these can provide door to door transport to residents with limited mobility.

### ***Climate Change***

- 4.26. The City Region Sustainable Transport Settlement from the Department for Transport incentivises local authorities to actively promote sustainable modes by only funding capital schemes that can demonstrate that they are placing the needs of pedestrians, cyclists and bus users ahead of other road users. Guidance to local authorities published in July 2021 highlights the importance of carbon reduction, the need to develop schemes in accord with Local Transport Note 1/20 - Cycle Infrastructure Design, and the importance of helping deliver against the objectives set out in the National Bus Strategy.
- 4.27. Transport represents around 37% of the borough's total carbon emissions. Assuming Walsall's traffic is similar to the national average, around 19% of emissions are produced by taxis, cars and PHVs and 0.7% are produced by buses. There are no disaggregated statistics for PHVs.
- 4.28. PHVs are increasingly being used for delivery services. The use of bus lanes by these vehicles would be detrimental to passenger services.

### ***Consultation***

- 4.29. Any changes to bus lanes will require consultation with bus operators through the EP reference group (see legal section above for details).
- 4.30. The local policing unit has been consulted and does not support allowing PHVs in bus lanes.



### ***Decide***

- 5.1. Taxis, PHVs and buses all play an important role in the affordable and sustainable movement of our residents.
- 5.2. The decision to prohibit PHVs from bus lanes was informed by a trial that indicate that there were no clear benefits for PHVs or any other road user types from allowing PHVs in bus lanes.
- 5.3. Allowing PHVs in bus lanes may speed up PHV journeys; however, it is likely to have a negative impact on bus journey times, cyclist safety and the capacity of some junctions. Costs will be incurred for changes to signage and increase resources for enforcement.
- 5.4. If the decision is made to allow PHVs to use bus lanes, this will be subject to a consultation process with the EP Reference Group. If the EP Reference Group does not support the change, the council would need to consider its ongoing participation in the Enhanced Partnership, approved in November 2022.

## 6. Respond

- 6.1. Given the factors listed above, it is recommended that informal consultation is carried out with the EP scheme reference group.

## 7. Review

- 7.1. If informal consultation indicates that an application to allow PHVs in Walsall's bus lanes is likely to be approved a formal application should be made.

## Background papers

Ref.1 - Report to cabinet 9 February 2011, Bus Lane Usage ([link](#)).

Ref. 2 - Local Transport Note 1/97, Keeping Buses Moving ([link](#)).

Ref. 3 - Report to cabinet, 10 February 2021 – West Midlands Enhanced Partnership Plan and Scheme ([link](#))

Ref. 4 - Report to cabinet 2 November 2022 - West Midlands Enhanced Partnership (EP) Scheme ([link](#)).

Ref. 5 - The Enhanced Partnership Plans and Schemes (Objections) Regulations 2018 ([link](#)).

Ref. 6 - Transport and environment statistics 2022 ([link](#))

## Appendices

Appendix 1 – List of Bus Lanes

## Author

Dave Brown  
Director of Place & Environment  
✉ [dave.brown@walsall.gov.uk](mailto:dave.brown@walsall.gov.uk)



Simon Neilson  
Executive Director

30 January 2023



Councillor Adrian Andrew  
Portfolio Holder

30 January 2023

## Appendix 1 – List of Bus Lanes

| Description   | Type                 | Times of Operation                             | Vehicles Permitted                       |
|---|----------------------|--|--|
| <b>Hatherton Road, Walsall</b> (The area of carriageway of Hatherton Road from its junction with Lichfield Street, following the southern and then eastern kerb line of Hatherton Street for a distance of 314 metres in a north westerly then south westerly direction to a point 10 metres north east of St Pauls Bus Station entrance) | Contra-flow Bus Lane | Any Time                                       | Buses and pedal cycles                   |
| <b>B4210 Stafford Street, Walsall</b> (The area of southbound carriageway of Stafford Street which extends from its junction with Ryecroft Park for a distance of 72 metres in a southerly direction to its junction with Ryecroft Street)  | With-flow Bus Lane   | 08.00 - 09.30 & 16.00 - 18.30, Monday - Friday | Buses and pedal cycles                   |
| <b>A34 Birmingham Road, Walsall</b> (a distance of 650 metres in a north-westerly direction from the Walsall/Sandwell boundary)   | With-flow Bus Lane   | Any Time                                       | Buses, pedal cycles, taxis & motorcycles |
| <b>A34 High Street, Bloxwich</b> (from a point 19 metres west of its junction with Pinfold for a distance of 90 metres in a westerly direction)   | With-flow Bus Lane   | Any Time                                       | Buses, pedal cycles, taxis & motorcycles |
| <b>A4148 Pleck Road, Walsall</b> (The area of northbound carriageway of A4148 Pleck Road which extends from a point 58 metres north of the northern kerblines of Moat Road for a distance of 160 metres in a northerly direction to its junction with A454 Wolverhampton Street)  | With-flow Bus Lane   | Any Time                                       | Buses, pedal cycles, taxis & motorcycles |
| <b>B4464 Somerford Place, Willenhall</b> (The area of westbound carriageway of Somerford Place which extends from a point 70 metres west of its junction with Summer Street for a distance of 155 metres in a westerly direction)   | With-flow Bus Lane   | 08.00 - 09.30 & 16.00 - 18.30, Monday - Friday | Buses, pedal cycles, taxis & motorcycles |

| Description  | Type                 | Times of Operation                             | Vehicles Permitted                       |
|--|----------------------|--|--|
| <p><b>A454 Wolverhampton Road, Walsall</b><br/>           (The area of eastbound carriageway of Wolverhampton Road which extends from its junction with Pargeter Street for a distance of 205 metres in an easterly direction)</p>   | With-flow Bus Lane   | 07.00 - 10.00 & 16.00 - 19.00, Monday - Friday | Buses, pedal cycles, taxis & motorcycles |
| <p><b>A454 Wolverhampton Road, Walsall</b><br/>           (The area of eastbound carriageway of Wolverhampton Road which extends from a point 112 metres west of its junction with Hollyhedge Lane for a distance of 100 metres in an easterly direction_</p>                                    | With-flow Bus Lane   | Any Time                                       | Buses, pedal cycles, taxis & motorcycles |
| <p><b>A34 Birmingham Road, Walsall</b> (The area of southbound carriageway of Birmingham Road, Walsall which extends from a point 14 metres south east of its junction with Skip Lane for a distance of 265 metres in a south easterly direction to the Walsall / Sandwell borough boundary)</p> | With-flow Bus Lane   | 07.00 - 19.00                                  | Buses, pedal cycles, taxis & motorcycles |
| <p><b>B4210 Stafford Street, Walsall</b> (The area of southbound carriageway of Stafford Street which extends from its junction with Ryecroft Park for a distance of 72 metres in a southerly direction to its junction with Ryecroft Street)</p>  | With-flow Bus Lane   | Any Time                                       | Buses and pedal cycles                   |
| <p><b>B4210 Stafford Street, Walsall</b> (The area of southbound offside carriageway of Stafford Street which extends from a point 15 metres south of its junction with Short Acre Street for a distance of 116 metres in a southerly direction to its junction with Day Street)</p>             | Contra-flow Bus Lane | Any Time                                       | Bus Only                                 |
| <p><b>B4210 Stafford Street, Walsall</b> (The area of southbound carriageway on Stafford Street which extends from its junction with Day Street for a distance of 121 metres in a southerly direction to its junction with Littleton Street West)</p>  | Contra-flow Bus Lane | Any Time                                       | Bus & Pedal Cycles                       |



| Description   | Type                 | Times of Operation | Vehicles Permitted                   |
|---|----------------------|--------------------|--------------------------------------|
| <b>Ablewell Street, Walsall</b> (The area of northbound carriageway on Ablewell Street which extends from a point 65 metres south of its junction with Town Hill for a distance of 195 metres in a northerly direction to its junction with Upper Rushall Street) | Contra-flow Bus Lane | Any Time           | Bus & Pedal Cycles                   |
| <b>Hatherton Road, Walsall</b> (The area of eastbound carriageway of Hatherton Road from a point 22 metres west of its junction with Hatherton Street, for a distance of 27 metres in an easterly direction)  | Bus Gate             | Any Time           | Buses, pedal cycles & licenced taxis |
| <b>Lichfield Street, Walsall</b> (The area of eastbound carriageway of Hatherton Road from a point 22 metres west of its junction with Hatherton Street, for a distance of 27 metres in an easterly direction)  | Bus Gate             | Any Time           | Buses, pedal cycles & licenced taxis |
| <b>St. Paul's Street, Walsall</b> (The area of north-westbound carriageway of St. Paul's Street which extends from its junction with Hatherton Road for a distance of 15 metres in a north-westerly direction)  | Bus Gate             | Any Time           | Buses, pedal cycles & licenced taxis |
| <b>B4464 Wolverhampton Road West, Bentley</b> (The area of westbound carriageway of Wolverhampton Road West which extends from its junction with the roundabout of junction 10 of the M6 motorway for a distance of 80 metres in a westerly direction)            | Bus Gate             | Any Time           | Buses, pedal cycles & licenced taxis |
| Unnamed Link Road between A452 Chester Road and Wood Lane, Streetly   | Bus Only Streets     | Any Time           | Bus Only                             |
| <b>Great Croft Street, Darlaston</b> (In its entirety)  | Bus Only Streets     | Any Time           | Bus Only                             |

## Cabinet – 8 February 2023

### We Are Walsall 2040 Strategy Consultation

|                            |                                      |
|----------------------------|--------------------------------------|
| <b>Portfolio:</b>          | Councillor Perry & Councillor Murphy |
| <b>Related portfolios:</b> | All                                  |
| <b>Service:</b>            | Policy & Strategy Unit               |
| <b>Wards:</b>              | All                                  |
| <b>Key decision:</b>       | Yes                                  |
| <b>Forward plan:</b>       | Yes                                  |

#### 1. Aim

- 1.1 We Are Walsall 2040 is an opportunity for us to listen to residents, businesses and communities and understand what is important now and for the future. It gives us a unique opportunity to shape the borough that we want to work in and live in and create a better tomorrow for those born today.
- 1.2 We are ambitious for the borough and want to create a thriving place with healthy and happy people. The We Are Walsall 2040 strategy allows us to create a shared narrative of the Walsall we all want to create by 2040. It enables a redefined agreement between public agencies, community groups and residents on what we can work together to deliver and how people can help themselves, help each other and their communities.

#### 2. Summary

- 2.1 A range of engagement activities were carried out with residents, businesses, community groups, schools and partners throughout June-November 2022. In total over 8,000 views have been received through the We Are Walsall engagement programme and the insight has helped us consider the key priorities to inform the development of this 2040 draft borough plan.
- 2.2 The draft strategy framework has incorporated these many resident, partner, and business views in shaping the vision and four strategic ambitions. Each ambition consists of three themes of focus with high level outcomes to be achieved by 2040 for each theme.
- 2.3 The strategy articulates Our Walsall story, what partners will work together to achieve over the next 18 years and redefines our relationship with residents and communities. It outlines what we expect residents and communities to do to ensure we co-design and co-deliver a borough of which we are all proud.

- 2.4 The draft strategy framework will be sent out for consultation to partners, community groups and the public in February 2023 for a short consultation to finish before the pre-election period. The final full strategy will be approved at Council in June 2023.

### **3. Recommendations**

- 3.1. That Cabinet approve the We Are Walsall 2040 strategy high level framework as appended to this report.
- 3.2. That Cabinet recommend the We Are Walsall 2040 framework to Scrutiny Overview Committee for consideration as part of the consultation.

### **4. Report detail - know**

#### ***Context***

- 4.1 A paper was taken to Cabinet in December 2021 outlining our plans to work with partners to develop a borough plan for 2040 (The borough plan-‘Our Walsall Story’) that will provide a framework for future collaboration across all communities and partners with a shared ambition, priorities and outcomes to create a borough that works for everyone.
- 4.2 The plan signals Walsall’s ambition of place to encourage regional and national collaboration and to create a thriving borough of opportunity to attract investors and developers to the Borough.
- 4.3 Through the summer of 2022 data analysis was carried out to develop a rich and insight needs of Walsall now and for the future. This insight has been used alongside engagement feedback to develop the focus of the borough plan to ensure we can work towards a Walsall where all can thrive in 2040.
- 4.4 A comprehensive programme of engagement was designed to capture a breadth of real voices from residents, community groups, businesses and partners throughout the summer and autumn of 2022. This included commissioning a range of engagement activities using qualitative and quantitative methods and co-delivery of activities by community leaders and trusted voices to ensure we were as open to as many views as possible.
- 4.5 Approximately 8 thousand responses have been analysed over recent weeks to create a clear picture of emerging views, priorities and needs for Walsall 2040. A paper was taken to Cabinet in December 2022 outlining the detailed findings of the engagement programme and shared with We Are Walsall 2040 partners.
- 4.6 Through the engagement responses we have heard the clear desire from residents and communities to focus on our regeneration ambitions to revamp and revitalise town centres and create a draw for businesses and leisure and retail opportunities. They want Walsall to be a destination of choice -create a pull for them and others to come to the borough to shop and socialise, live and work.

- 4.7 The cost-of-living crisis has compounded people's concerns for their immediate needs and we heard from many residents that they are keen for Walsall to have more opportunities for jobs and skills, good quality homes available for all and opportunities to stay healthy and well. Residents have also shared that they want to feel safe in towns, neighbourhoods, and streets, have a clean and green borough that is tidy and litter free, with the excellent parks and green spaces maintained for now and the future, and for Council and partners to do more to help reduce environmental impact of waste and address the challenges around Climate change.
- 4.8 Throughout the engagement residents and community groups have told us they want to do more to help themselves, their communities, and the borough. Many have acknowledged that they can play a greater role in shaping the communities and centres within which they live and work. One of the key aims of the Borough Plan is to articulate to the public what public partners and agencies will do and what we expect residents to do for themselves. It redefines our relationship with residents and communities by highlighting what we expect residents and communities to do to work with us to create a borough of which we are all proud. This is captured in the 'You will' sections of the draft strategy as outlined below.
- 4.9 The draft strategy framework is attached at **Appendix 1**. The vision is *Walsall in 2040 will be a place where people are proud to live and residents and businesses work with public services to create a thriving borough of opportunity*.
- 4.10 Aligned to this vision are principles by which the public can expect all partners to operate:
- We are sustainable
  - We are accessible
  - We are local
  - We are resident focussed
  - We are honest
- 4.11 The draft strategy consists of four strategic ambitions. Each ambition consists of three themes of focus and under each the following which can be seen in **Appendix 1**:
- high level outcomes to be achieved by 2040;
  - what partners will do - 'We will'; and
  - what we expect residents to do – 'So you can'
- 4.12 **Ambition 1: Thriving and happy**
- Child friendly borough
  - Empowered communities
  - Feeling safe
- 4.13 **Ambition 2: Healthy and well**
- Living active lives
  - A community that cares
  - Good mental wellbeing

- 4.14 **Ambition 3: Prosperous and innovative**
- Quality homes
  - A strong economy for all
  - Connected borough
- 4.15 **Ambition 4: Proud of our borough**
- Clean and green borough
  - Celebrating our culture and heritage
  - Vibrant towns
- 4.16 The draft strategy will be sent out for consultation with the public, Members, businesses and partners until 23 March when consultation will cease due to the pre-election period. The feedback will be considered in developing the full final document and to shape the supporting 3/5-year delivery plan. The final full strategy will be approved at Council in June 2023.

### ***Risk management***

- 4.17 The key risk associated with We Are Walsall 2040 is that the plan is not fit for purpose leading to lack of buy-in from key partners and the public and failure to impact on delivering much needed ambition for the borough.
- 4.18 The breadth and scale of engagement activities carried out between June-November 2022 - the thousands of people consulted ensure that the strategy is built on a strong foundation of co-produced insight, based on need and public priorities.
- 4.19 Partners have been presented with the engagement findings and involved in drafting the borough plan to ensure wider partner buy-in and support and creation of a collective vision and ambition.

### ***Financial implications***

- 4.20 Whilst there are no direct financial implications of this report, the strategy will sit alongside the Council Plan as a strategic framework for the Council when setting the strategic direction of financial investments informing strategic decision-making.

### ***Legal implications***

- 4.21 There are no direct legal implications from this report. An Equality impact assessment is in development and will be completed following receipt of formal consultation feedback on the draft strategy and presented alongside the final strategy to June Cabinet and Council.

### ***Procurement Implications/Social Value***

- 4.22 There are no direct procurement implications from this report.

### ***Property implications***

- 4.23 There are no direct property implications from this report.

### ***Health and wellbeing implications***

- 4.24 Health and wellbeing have been highlighted as a key priority for residents and many community groups and public have expressed a desire in the engagement feedback to do more to manage their own and their community's health.
- 4.25 The 2040 borough plan aligns with the new Health & Wellbeing Strategy and work is already underway to embed health within the 2040 delivery plan and take a health in all policies approach.

### ***Staffing implications***

- 4.26 There are no direct staffing implications from this report.

### ***Reducing Inequalities***

- 4.27 The We Are Walsall 2040 borough plan considers addressing inequalities as a key cross cutting focus to ensure we can meet the ask of residents to create a borough that thrives. Specific health inequalities are addressed within the **We are healthy and well** strategic ambition.

### ***Climate Change***

- 4.28 Resident feedback from the Postal and online survey has highlighted that 6 in 10 are concerned about climate change and the impacts for their future. Nine in ten residents in both the postal and online surveys have indicated that they want the Council to work with partners in the borough to look at what else we can do to mitigate the impact of climate change. This is therefore a key focus within the **We are Proud of our borough** ambition and the **Clean and green** theme.

### ***Consultation***

- 4.29 The 2040 plan is based on extensive engagement that was carried out as outlined in this report. The draft borough plan will be approved for consultation by Cabinet and open for consultation formally until 23 March 2023.

## **5. Decide**

This is a unique opportunity to develop a borough strategy, which sets out the ambitions for Walsall by 2040. The four strategic ambitions and 12 themes have been developed through consideration of needs assessment/insight and the engagement feedback received through the 2040 engagement programme as well as ensuring alignment against existing strategies (e.g., Health and Wellbeing, Economic strategy, Street Scene strategy, Mental Wellbeing strategy etc...).

## **6. Respond**

The Council is already undertaking programmes and activities that directly address the priorities and concerns identified by the public through the 2040 conversations. Work will continue to develop a clear 3–5-year delivery plan to ensure that we

achieve key milestones and staging posts on our journey towards the 2040 ambitions.

## 7. Review

Cabinet will have an opportunity to reflect and consider the draft strategy consultation feedback in June 2023 and shape the final strategy before Cabinet and Council in June 2023.

Updates against performance in the delivery plan will be provided to the Walsall Proud Partnership and through portfolio holders to ensure performance against the borough plan 2040 is on track.

## Background papers

**Appendix 1 – We Are Walsall 2040 Draft Strategy Framework**  
Cabinet December 2021 The borough plan-‘Our Walsall Story’  
Cabinet December 2022 We Are Walsall 2040 Engagement feedback

## Author

Dr Karen Griffiths  
Head of Policy & Strategy  
☎ 01922 653831  
✉ [karen.griffiths@walsall.gov.uk](mailto:karen.griffiths@walsall.gov.uk)

Simon Neilson  
Executive Director Economy, Environment and Communities  
☎ 07776 455335  
✉ [simon.neilson@walsall.gov.uk](mailto:simon.neilson@walsall.gov.uk)



Simon Neilson  
Executive Director

30 January 2023



Councillor Perry  
Portfolio Holder

30 January 2023



Councillor Murphy  
Portfolio Holder

30 January 2023

# WE ARE WALSALL 2040

Draft strategy framework  
February 2023



# Vision and ambitions

*Walsall in 2040 will be a place where people are proud to live and residents and businesses work with public services to create a thriving a borough of opportunity*



## Principles

- **We are sustainable**
- **We are inclusive**
- **We are local**
- **We are resident focussed**
- **We are honest**

# Ambitions

Each of the four ambitions consists of three themes of focus.

- Child friendly borough
- Empowered communities
- Feeling safe

We are thriving and happy



- Living active lives
- A community that cares
- Good mental wellbeing

We are healthy and well



- Quality homes
- A strong economy for all
- Connected borough

We are prosperous and innovative



- Clean and green borough
- Celebrating our culture and heritage
- Vibrant towns

We are proud of our borough



# Thriving and happy-child friendly borough

## Outcomes

By 2040 all Walsall children will have the best start in life with excellent support available to families to ensure they thrive.

By 2040 child poverty will be significantly reduced and children will feel safe and secure in their homes and neighbourhoods

By 2040 Walsall will see increased opportunities for children to play and learn across the borough

By 2040 we will see improvement in education levels across the borough with a narrowing of the gap in outcomes for vulnerable children and children with special educational needs and disabilities (SEND)

By 2040 Walsall will be a borough of opportunity for young people with broad options for apprenticeships, graduate roles and pathways for careers in local business

# Thriving and happy-child friendly borough

## We will:



work with families, so that every child starts school healthy and ready to learn



ensure excellent provision of education and support for vulnerable children and those with Special educational needs



develop opportunities to prepare children and young people for career pathways that mean they can live and work locally, so talent is retained in the borough



Use your local maternity and early years services for under 2's to be pregnancy ready and access support



Consider if you can adopt, or become a foster carer and give a child a home



Help your child understand and engage with your community and feel pride in the borough



identify a caring home for every child in the Council's care



promote activities, events and opportunities for children to learn and play



Support your child do be school ready and do their best in their education. Work with us to help them achieve



Encourage your child to respect others no matter who they are and value difference

# Thriving and happy- feeling safe

## Outcomes

By 2040 we will see lower levels of crime particularly anti-social behaviour and violent crime

By 2040 people will be actively involved in helping their towns and neighbourhoods feel safe.

By 2040 young people will feel secure and gang violence will be a thing of the past

By 2040 we will have vibrant town centres where people feel safe and welcome, and new buildings are developed to promote safety and wellbeing

By 2040 we will be a prevention borough where children, young people and vulnerable adults are safeguarded from abuse and exploitation.

# Thriving and happy- feeling safe

## We will:



work with communities to reduce crime



understand issues and barriers leading to anti-social behaviour within communities and address the causes



work with young people to understand reasons for gang culture and violence.



Tell us if anything is wrong or concerning in your community related to crime and safety



Be eyes and ears in your community for vulnerable people and neighbours



Consider joining neighbourhood watch and other safety schemes



work with schools and communities to help children and young people understand safe behaviours



promote neighbourhood schemes and activities to help you participate in making your community and neighbourhoods safer



Be mindful of the law and model positive community behaviours



Tell us if you are concerned about a child or vulnerable adult when something doesn't feel right

# Thriving and happy- empowered communities

## Outcomes

By 2040 public services will be shaped by and for Walsall residents who will have an active voice and be at the heart of what we do

By 2040 we will have a strong and sustainable voluntary and community sector that plays a key leadership role in Walsall life

By 2040 Walsall will be known as a place of cohesion where communities work together, and diversity is celebrated and respected

By 2040 Walsall will have vibrant and sustainable community spaces that act as a hub for community life

# Thriving and happy- empowered communities

## We will:



work with, invest in and support community groups to give you opportunities to come together and shape and deliver local services



promote activities, events and programmes that bring communities together



regularly have conversations with residents to ensure their voices are heard in service design and delivery.

## So you can:



Take part in your community and get involved in clubs, activities and events locally



Invite and tell others about what's going on in your community to help them to take part and feel they belong



Vote in elections and participate in consultation surveys and engagement activities and events to tell us your views



work with communities to ensure Walsall is a place of tolerance and respect where communities live happily together and have opportunities to celebrate belonging



promote volunteering to help you do more in your communities



Take up volunteering opportunities in your locality and make a difference



Show tolerance and respect to those around you and in your community who may look different or have a different culture.



Take part in events to celebrate the diversity of the borough



# Healthy and well-living active lives

## Outcomes

By 2040 Walsall will be a dementia friendly borough known for high quality care where people can live independent lives at home and in their communities

By 2040 Walsall will have narrowed the gap in health inequalities

By 2040 people will live longer and healthier lives in Walsall, with reduction in smoking prevalence and drug and alcohol addiction

By 2040 people in Walsall will live more physically active lives.

By 2040 we will see a reduction in car journeys across the borough and an improvement in air quality in Walsall particularly in Pleck and Palfrey

# Healthy and well-living active lives

## So you can:

### We will:



Design and deliver the right health services that meet your needs where you live



Understand the barriers to living healthy lives and work together to address them for all communities



Provide and share opportunities for you to do what you love to stay active and well



Consider health in all our decision-making and put it at the heart of what we do to improve quality of life for all



Promote and encourage green travel options to reduce car congestion and emissions



Do more to look after your health, wellbeing and happiness



Use your pharmacist, GP and other health services as needed, choosing the right care at the right time



Participate in opportunities across the borough to stay fit, well and happy



Understand the needs of any condition you have and tell us when we interact with you

# Healthy and well- a community that cares

## Outcomes

By 2040 all carers will be supported to meet their needs and maintain their quality of life

By 2040 Walsall will be a borough with excellent end of life care where all people have choice and control and we will see an increase in end-of-life care in homes and communities.

By 2040 we will have health and care services that are flexible and local with more people accessing community services to stay healthy and well

# Healthy and well- a community that cares

## We will:



Ensure high quality care and support across the borough for all



ensure health and care career skills and opportunities are developed so our workforce is made up of local people with enough health and care staff for the future



Listen to carers and help them feel supported

## So you can:



Tell us if you are a carer and how we can support you



Tell us if you feel your care or the care of a loved one is below standard



Look out for elderly family, neighbours and those without close support networks in your world



Show kindness to those around you and show respect and kindness online

# Healthy and well- good mental wellbeing

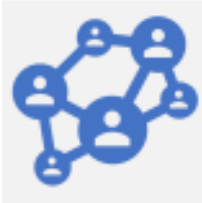
## Outcomes

By 2040 mental health is well understood and we will see a decrease in mental illness, anxiety, and depression in Walsall as more people know how to self-care to maintain their wellbeing.

By 2040 Walsall will have mental health services that are local and accessible and enable people who need them to fully participate in Walsall life.

# Healthy and well- good mental wellbeing

## We will:



work with employers to ensure staff are supported with mental wellbeing and resilience



promote mental health awareness and highlight where people can go to get help and support



ensure children and young people understand good mental health and where to go for local support

## So you can:



Support mental wellbeing awareness campaigns and projects in your work and community



Learn what to do to keep good mental wellbeing and know where to go to get support



Be mental health aware and support family, friends, colleagues and those around you with accessing advice and support



Be supportive and understanding to those around you with mental health issues

# Prosperous & innovative- quality homes

## Outcomes

By 2040 Walsall will have an ambitious Local plan to provide houses in the right places that meet local need and are quality, affordable, and sustainable.

By 2040 we will have improved quality of rented and social housing across the borough

By 2040 levels of homelessness will be significantly reduced in Walsall

By 2040 we will have adaptable homes to support residents live quality lives

# Prosperous & innovative- quality homes

## We will:



invest in building high quality affordable homes across the borough that meet local need



ensure new developments are part of connected communities with local services, and facilities



work with landlords to encourage high quality private rental properties across the borough



Tell us about anyone you see that is sleeping rough



Look for opportunities to stay and live in the borough



Ensure your properties are of a decent standard for your tenants



ensure social houses are of a high standard and repairs are carried out quickly



ensure a mix of housing schemes across the borough



Take pride in your home and street and let your landlord know of any repairs needed quickly.



eliminate rough sleeping across the borough

## So you can:



# Prosperous & innovative- strong economy for all

## Outcomes

By 2040 Walsall will have a strong investment brand and be known as a place to do business.

By 2040 Walsall will have seen a sustained increase in jobs with more new businesses investing and growing in the borough year on year

By 2040 Walsall will be an international centre of excellence for advanced manufacturing, modern construction, low carbon innovation, logistics and health.

By 2040 Walsall will be a borough where school leavers and graduates can live and work locally with opportunity for progression

By 2040 Walsall will have increased skill levels to close the gap on the national average and have a workforce that is ready to meet the needs of the future economy

By 2040 we will be a financially inclusive borough with reduced debt levels and high levels of financial literacy

# Prosperous & innovative- strong economy for all

## We will:



Attract investors and new businesses to the borough to create more jobs and higher skilled, better paid jobs



Provide support to small and local businesses to help them grow



ensure people can get the skills they need to get into work, progress in their careers and access better paid jobs



Increase graduate and apprentice opportunities across the borough



Promote shopping and buying goods and services locally to residents, partners and businesses



Encourage partners and businesses to pay a living wage

## So you can:



Buy local services and goods



Consider paying the living wage if you are a local employer



Start a business or upskill to improve your career opportunities



Hire locally if you are a business owner or employer and develop graduates, apprentices and work placements



Bid for public contracts to provide your goods and services as a local business

# Prosperous & innovative- connected borough

## Outcomes

By 2040 Walsall will be one of the most connected boroughs in England by rail and road with faster, quieter, and more reliable connections to new and existing destinations

By 2040 Walsall will be a cycling borough with a network of cycling routes and facilities that are safe and secure.

By 2040 Walsall will have advanced digital infrastructure to enable new approaches to technology, lifestyles and drive business growth.

By 2040 we will have a digitally skilled workforce to meet business needs of the future

By 2040 Walsall will be a digital borough where all residents can access digital services and are confident and capable in a digital world

By 2040 residents will confidently consent to shared data usage across Walsall partners to drive insight and improved lives.

# Prosperous & innovative- connected borough

## We will:



Invest in our road networks to reduce congestion and improve journey times



Improve the transport offer within and across the borough



Invest in cycling and walking routes to help people feel safe travelling by bicycle or on foot



Improve access and skills so our residents are digitally confident



Invest in new digital platforms and technology to improve customer service and give residents and communities greater voice and choice in local decision



Increase access across the borough to 5G networks and support residents getting online

## So you can:



Car-share where appropriate with family, friends and colleagues



Use public transport options where you can



Support family, friends and older and vulnerable people in your world to navigate safely online



Walk and cycle more to get around locally and reduce congestion



Work flexibly if you can and help reduce congestion at peak times



Contact us through digital channels where you can



Access local digital skills opportunities to become digitally confident

# Proud of our borough-clean & green

## Outcomes

By 2040 we will have a greener borough with highly regarded parks and open spaces and be known as a place where nature is respected and protected.

By 2040/41 we will have a net zero economy and all public sector partners will be carbon neutral in their operations with sustainable public buildings and new homes.

By 2040 we will have infrastructure in place to enable residents to have smoothly switched off fossil fuel consumption.

By 2040 Walsall will be a leader in waste technology and we will have closed the gap in our recycling rate and be known as a high performer nationally

By 2040 residents and communities will work with partners to create and maintain clean streets and neighbourhoods.

# Proud of our borough-clean & green

## We will:



Ensure that Walsall has the right infrastructure and technology to process waste and recycling



Support residents to reduce, reuse and recycle and promote what you can do to live sustainably and reduce your carbon footprint



Maintain our parks and green spaces for your enjoyment and safeguard our nature and biodiversity



Promote opportunities for you to do more to look after your streets, neighbourhoods and open spaces



Work in partnership with businesses, communities and public bodies to deliver our climate change ambition, and ensure Walsall is ready for the effects of a changed climate

## So you can:



Reduce plastic waste and recycle and reuse the right way



Reduce your energy consumption and your carbon footprint



Keep your town centres clean and do not throw litter



Make good use of parks and open spaces and get involved helping to keep them clean and green



Take part in keeping your local area clean and get involved in tidy up activities



Tell us if you notice environmental issues such as graffiti or issues with bins

# Proud of our borough-celebrate culture & heritage

## Outcomes

By 2040 we will have strong creative industries with programmes and events that showcase the borough's diverse arts and culture scene

By 2040 we will have diverse leisure and tourism opportunities for all ages that make Walsall a key destination in the region

By 2040 we will continue to build on our heritage and identity within the Black Country and celebrate our shared stories and legacy.

By 2040 our communities will come together to celebrate their diversity and traditions in an inclusive way

# Proud of our borough-celebrate culture & heritage

## We will:



Attract investment to develop culture, heritage and sports opportunities and facilities



Celebrate our unique heritage and history through events, activities, exhibitions and promotions



Promote the borough and tell you and others about what's on



Talk up the borough and tell others what you are proud of in Walsall



Participate in heritage and events, activities, exhibitions and promotions to learn more about the history of Walsall



Ensure children and young people can participate in culture and heritage opportunities



Support and promote opportunities for celebrating diversity and culture across the borough



work with us to produce and promote a strong cultural offer



Take part in and support local arts and culture activities in the borough



Consider getting involved in supporting and running local sports, leisure and culture clubs and activities



# Proud of our borough-vibrant towns

## Outcomes

By 2040 we will see an increased sense of pride with people speaking highly of life in Walsall.

By 2040 our towns will be revamped with improved physical infrastructure and shopping and socialising locally will be the first choice for residents.

By 2040 our local towns and villages will retain their unique identity and Walsall town centre will be a reimagined destination with mixed use culture, leisure, retail and green amenity space.

By 2040 Walsall will have flourishing markets, festivals, and events as hallmarks of a prosperous borough

By 2040 Walsall town centre will be a residential destination of choice with a strong community

# Proud of our borough-vibrant towns

## We will:



Attract investors and developers to regenerate and invest in our towns



Create a strong Walsall brand to encourage retailers and leisure providers to the borough



Support thriving markets across the borough and ensure a range of events and activities to draw people into town centres



Support town centre events and activities and tell others



Visit your local centres and shop/buy local



Ensure a range of travel and parking opportunities to make it easy for people to come into town centres



Support your local market



Avail of travel options and parking to shop and socialise locally



## Cabinet – 8 February 2023

### Council Tax Premium

**Portfolio:** Councillor Ali - Customer

**Related portfolios:** N/A

**Service:** Customer Engagement

**Wards:** All

**Key decision:** No

**Forward plan:** Yes

#### 1. Aim

- 1.1 To encourage owners of long term empty properties and those not being used as someone's sole or main residence to bring those properties back into use

#### 2. Summary

- 2.1 Under Section 11A & 11B of the Local Government Finance Act local authorities have wide ranging discretion on the amount of Council Tax it levies on empty properties.
- 2.2 Legislation is currently going through parliament via the Levelling Up & Regeneration Bill (the bill) which will provide authorities with the following additional discretion
- Levy a 100% premium on unoccupied and unfurnished properties after 1 year (currently 2 years)
  - Levy a 100% premium on unoccupied but furnished properties from the day it first becomes unoccupied

#### 3. Recommendations

- 3.1 That Cabinet recommends to Council that, from 1 April 2023, the length of time before being able to charge council tax premium, for properties that have been empty and unfurnished for more than 1 year, be reduced to one year rather than current two.
- 3.2 That Cabinet recommends to Council the introduction of a 100% council tax premium from 1 April 2024 for furnished properties that are no-ones sole or main residence.

- 3.3 That Cabinet delegates to the Executive Director for Children’s and Customer Services, in consultation with the relevant Portfolio Holder, authority to amend the recommendations to Council in the event of any changes to the Bill during its passage through the legislative process.

#### **4. Report detail - know**

##### ***Context***

- 4.1 The ability to levy a council tax premium on long term empty properties was first introduced in April 2013. The legislation was changed in 2019 to increase the premium to 100% for properties empty for more than 2 years and 200% for over 5 years and 300% if the property has been empty for over 10 years.

Certain empty properties are exempt from Council Tax, and as such, cannot be charged the premium. These include:

- Where the previous occupier has gone into care or hospital
- Where the owner has died and probate has not yet been granted
- Where the property has been repossessed or the owner is an un-discharged bankrupt.

The new legislation will provide authorities with the following additional discretion

- Levy a 100% premium on unoccupied and unfurnished properties after 1 year (currently 2 years)
- Levy a 100% premium on unoccupied but furnished properties from the day it first becomes unoccupied

Under the current proposed legislation both of these discretions come into force from 1 April 2024, however in relation to the second discretion (premium on unoccupied but furnished) the legislation contains a clause requiring the authority to make the determination at least one year before the beginning of the financial year to which it relates. Therefore if Walsall Council wishes to levy such a premium the determination would have to be made prior to 1 April 2023.

For the purposes of council tax legislation and the effect of the area covered by this report unoccupied means that the property is no-ones sole or main residence.

#### **4.2 Unoccupied and unfurnished premium after 1 year**

This is an extension of the current premium and reduces the time that a property as to be unoccupied and unfurnished before a premium could be levied. It also builds on the work already undertaken by the authority to reduce the number of empty properties in the borough and encourage the owners to bring such properties back into use.

The number of properties that currently would be subject to this change are

| <b>Band</b>  | <b>Number</b> |
|--------------|---------------|
| A            | 165           |
| B            | 70            |
| C            | 61            |
| D            | 28            |
| E            | 22            |
| F            | 5             |
| G            | 3             |
| H            | 1             |
| <b>Total</b> | <b>355</b>    |

Using the 2022/23 council tax levels this change would increase the council tax charge by £628,339 resulting in an increase in income to Walsall Council of £554,789 this being Walsall Council's share of the Council Tax bill.

#### 4.3 **Unoccupied but furnished premium**

This is a completely new area for premiums and currently the one that is a major issue for councils in tourist locations.

The proposed legislation states that a local authority have regard to any guidance issued by the Secretary of State. Currently we have not received such guidance but anticipate that it may contains guidance as to circumstance when the premium should be not charged. These could include where the property is actively being advertised for sale or let, but we will have to wait for the actual guidance for confirmation.

The types of properties that could be included in this definition are

- Genuine second homes
- Unoccupied furnished lets
- Unoccupied properties but containing furniture – this may include properties up for sale or those furnished to avoid the premium being levied under the current legislation

The number of properties that currently would be subject to this change are

| <b>Band</b>  | <b>Number</b> |
|--------------|---------------|
| A            | 136           |
| B            | 53            |
| C            | 30            |
| D            | 12            |
| E            | 8             |
| F            | 4             |
| G            | 2             |
| H            | 0             |
| <b>Total</b> | <b>245</b>    |

Using the 2022/23 council tax levels this change would increase the council tax charge by £413,636 resulting in an increase in income to Walsall Council of £362,218. However it must be stressed that this is the maximum amount and is subject to reduction once the effect of the government guidance is known.

### ***Council Plan priorities***

- 4.4 Increasing the funds received by the Council from council tax has a direct positive impact on the Council's abilities to deliver the EPICC (Economic, People, Internal Focus, Children, Communities) priorities identified in the corporate plan. The alternative to this proposal would be that additional money will need to be found by changing, reducing or ceasing other council services or raising council tax overall. It is likely that cuts to other Council services, or raising council tax, will have a greater detrimental impact on communities than this proposal.

### ***Risk management***

- 4.5 The opportunity to generate additional income for the council by introducing the changes needs to be balanced with the individual's ability to pay the council tax that became due.

The budgeted council tax collection rate is 98.0%. It is envisaged that the proposal should not alter the overall collection rate significantly.

### ***Financial implications***

- 4.6 Caution has to be had with these projected additional income stated. In the proposed legislation for unoccupied but furnished properties there is a clause stating that local authorities must have regard to central government guidance. Such guidance as not yet been issued but could include a provision which excludes properties where homeowners can demonstrate that their properties are genuinely on the market for sale or rent from being charged the premium.

### ***Legal implications***

- 4.7 The power to levy a council tax premium for long term empty properties is contained within Section 11B of the Local Government Finance Act 2012. The proposed change (reducing the time limit from 2 years to 1 year) is currently going through parliament via the Bill. These change in the legislation only comes into effect from 1 April 2024.

The same Bill introduces Section 11C of the Local Government Finance Act 1988 which allows a 100% premium to be levied on properties which are no-ones sole or main residence but are furnished,

There are no time limits on this premium however the legislation contains the following provisos

- A billing authority's first determination under this section must be made at least one year before the beginning of the financial year to which it relates
- In exercising its functions under this section a billing authority must have regard to any guidance issued by the secretary of state

### ***Procurement Implications/Social Value***

4.8 There are no procurement implications.

### ***Property implications***

4.9 There are no property implications.

### ***Health and wellbeing implications***

4.10 The proposal has the potential to have a positive impact on health and wellbeing by enabling council services to be maintained.

### ***Reducing Inequalities***

4.11 The council holds data on the liable person (i.e name and address) for the empty properties but no records that might identify any disadvantaged groups from this data. The changes would be applied across all qualifying properties and the proposal is specifically property (not person) related.

### ***Staffing implications***

4.12 There are no staffing implications.

### ***Climate Impact***

4.13 There are no climate implications.

### ***Consultation***

4.14 Consultation is non-statutory for this proposal; however it has been undertaken.

A controlled postal survey was conducted between 19 December 2022 and 27 January 2023 with questionnaires mailed to the 600 taxpayers who, at the time, meet the criteria that would have been subject to the new premium and a random sample of the same number of taxpayers not subject to the premium. This was to ensure that the sample included residents who would be directly affected and those that would not. The questionnaire asked the recipient if they were in favour of the introducing either, all or none of the premiums and asked for any additional comments.

In total 28 responses had been received:



- 18 were in favour of no changes
- 4 were in favour of reducing the time limit to one year before a premium is charged on unoccupied and unfurnished
- 2 were in favour of introducing the premium on second homes
- 4 were in favour of introducing both changes

16 out of the 18 that favoured no change were consultees that currently are liable for council tax on a property that would have been subject to the premium under the proposed rules.

Of the four that were in favour of introducing the premium on 'second homes' were in the affected list 3 would have been affected by the changes.

Both of the consultees in favour of just introducing the premium on second homes were in the affected group but would have been affected by the reduction in time for unoccupied and unfurnished properties

All of those in favour of introducing both changes were from consultees that would not be affected by the proposed changes.

In addition one response raised concerns that they felt the proposals would be unfair to married couples compared to unmarried couples and that the proposals could lead to extra charges to parents helping children onto the property ladder.

## **5. Decide**

- 5.1 An alternative to the recommendation in this report is not to make the changes to when a council tax premium is levied but this would lead to potentially missed opportunity to encourage owners to bring properties back into use and forego the potential increase in income.
- 5.2 Cabinet is requested to approve the recommendations made in section 3 of this report.

## **6. Respond**

- 6.1 In the event that Council approves the new premiums then the Council must publish notice of its decision in a local newspaper with 21 days of its decision will be published online and the premiums will be included in the 2024/25 annual billing.

## **7. Review**

- 7.1 The number of properties subject to a council tax premium through these changes will be subject to regular review and be included in future council tax base calculations. The extra council tax raised will be included in the monitoring of the collection fund.

**Appendices**

None

**Background papers**

None

**Author**

Mark Fearn  
Group Manager Revenues, Income Recovery & Debt  
✉ mark.fearn@walsall.gov.uk  
☎ 658983

Signed

Signed



Sally Rowe  
Executive Director  
Childrens and Customer  
31 January 2023

Councillor Ali  
Portfolio holder  
31 January 2023

## Equality Impact Assessment (EqIA) for Policies, Procedures and Services

|                                |   |   |   |
|--------------------------------|---|---|---|
| <b>Proposal name</b>           | <b>Change to Council Tax Premiums</b>   |   |   |
| <b>Directorate</b>             | Childrens   |   |   |
| <b>Service</b>                 | Customer Engagement   |   |   |
| <b>Responsible Officer</b>     | Mark Fearn  |   |   |
| <b>Proposal planning start</b> | 01/12/2023  | <b>Proposal start date (due or actual date)</b> | 01/04/2024  |
| <b>1</b>                       | <b>What is the purpose of the proposal?</b>   | <b>Yes / No</b>                                 | <b>New / revision</b>   |
|                                | Policy  |   |   |
|                                | Procedure   | <b>Yes</b>                                      | <b>revision</b>   |
|                                | Guidance  |   |   |
|                                | Is this a service to customers/staff/public?  |   |   |
|                                | If yes, is it contracted or commissioned?   |   |   |
|                                | Other - give details  |   |   |
| <b>2</b>                       | <b>What is the business case for this proposal? Please provide the main purpose of the service, intended outcomes and reasons for change?</b>   |   |   |
|                                | A) To reduce the time limit a property as to be unoccupied and unfurnished before a premium is levied from 2 years to 1 year<br>B) To levy a premium on properties that are no-ones sole or main residence but furnished  |   |   |
| <b>3</b>                       | <b>Who is the proposal likely to affect?</b>  |   |   |
|                                | <b>People in Walsall</b>  | <b>Yes / No</b>                                 | <b>Detail</b>   |
|                                | All   |   | Only those people who are liable for council tax on properties that would be subject to the premium |
|                                | Specific group/s  | Yes   |   |
|                                | Council employees   |   |   |
|                                | Other (identify)  |   |   |
| <b>4</b>                       | <b>Please provide service data relating to this proposal on your customer's protected characteristics.</b>  |   |   |
|                                | <b>Walsall Key Demographic Data</b>   |   |   |
|                                | Walsall is a metropolitan borough which was formed in 1974 and is one of seven authorities that makes up the West Midlands conurbation and is one of four local authorities comprising the Black Country Region. Walsall contains six urban district centres: Walsall Town Centre, Aldridge, Bloxwich, Brownhills, Darlaston and Willenhall. The Borough covers 40 square miles and is bisected by the M6 motorway. Socio-economically, there is a stark geographic divide between the West and the less deprived East. Nationally, Walsall has high levels of deprivation and among local authorities in England. The 2019 Index of Multiple Deprivation now ranks Walsall as the 25th most deprived English local authority (out of 317), placing Walsall within the most deprived 10% of districts in the country (33rd in 2015, 30th in 2010 and 45th in 2007). |   |   |
|                                | Census 2021 data demonstrates a Walsall population of 258,478, 49.2% of the population are male with 50.8% female. Currently, Walsall has around 117k units of which 24% are housing provider owned and 76% privately owned, (Source, Live tables on dwelling   |   |   |

stock (including vacants) - GOV.UK)

Of the 76% privately owned, it is estimated that around 13.4k are privately rented which accounts for around 15% of the privately owned stock. Overall housing growth (5.4%) has just about kept up with household growth (6.3%) between 2011 and 2021 (ONS population projections) and household size has shifted from 2.49 to 2.51 (Black Country SHMA 2021). 15.7% of households in Walsall, are single person households who have one person aged less than 66 years, in comparison 12.6% of single households are aged 66 years and over. (Source: Census 2021, ONS)

The east of the Borough has an older population and a slower growth (<1% in 9 years). Conversely the centre, south & west of the borough continues to see rapid population growth and a much younger population, such as Blakenall wards with a median age of 31 and a growth of 7.8% compared to 2011. In comparison Aldridge Central and South has a median age of 48 and a growth rate compared to 2011 of 12%. (Source: Joint Strategic Needs Assessment, Walsall).

Under 16s now account for 22.4% of the Walsall population, and over 65s, 17.6%. Walsall's dependency ratio has continued to rise with 0.65 dependants: 1 working age adult in 2019 (England 0.57). There are estimated to be 9000 additional over 60s by 2031. (Source: Office for National Statistics).

85.2% of Walsall's population were born in the UK, whilst 14.8 were born in another country. The minority ethnic population (i.e. all those who identify as other than White British) has increased from fewer than 1 in 4 residents in 2011 to 1 in 3 in 2021 (Figure 1)

| <b>Figure 1: Ethnic Profile Walsall</b> | <b>2021</b> | <b>2011</b> |
|---|-------------|-------------|
| White                                   | 71.4%       | 78.8%       |
| Asian                                   | 18.7%       | 15.2%       |
| Black                                   | 4.6%        | 2.3%        |
| Mixed                                   | 3.3%        | 2.7%        |
| Other                                   | 2.1%        | 0.8%        |
| White British                           | 67.4%       | 76.9%       |
| Minority Ethnic                         | 32.6%       | 23.1%       |

*Source: Census 2021 and Census 2011.*

61% of the population is of working age, broadly in line with the national figure. 76% are classed as economically active, slightly below both the regional and national averages. Of the households that have at least one person aged 16 to 64, 14% are classed as workless (12k) and as revealed elsewhere in this document lack of labour market access is a regular component of homeless households in the borough<sup>[1]</sup>. 27% of the working age population have an NVQ Level 4 or above, this compares to a regional figure of 39% and a national figure of 44%.

In terms of income and employment scales, the average wage in Walsall (£548 p/w gross) is 6% below the regional average and 12% below the national. Of note 8% of persons aged 18 to 24 claim out of work benefits – this compares to 6% regionally but is almost twice the national equivalent. According to DWP figures (02/22), Walsall is ranked fourth out of all West Midland authorities in the percentage of working age people (6%) receiving unemployment related benefits<sup>[2]</sup>.

<sup>[1]</sup> Nomis Official Labour Market Statistics 2022

<sup>[2]</sup> *ibid*

The proposal in this report relates to the circumstances of the property and not person liable.

The only residents impacted are those who in the future

- Have a dwelling that has been unoccupied and unfurnished for between 1 and 2 years.
- Have a dwelling which is no-ones sole or main dwelling but is furnished

In addition the council tax records do not hold the details of the taxpayers characteristics.

**5 Please provide details of all engagement and consultation undertaken for this proposal. (Please use a separate box for each engagement/consultation).**

Consultation is non-statutory for this proposal; however it was undertaken between 19 December 2023 and 27 January 2024.

A controlled postal survey is being carried out with questionnaires mailed to the 600 taxpayers who, at the time, were liable to council tax on properties that would be affected by the change and a random sample of the same number of taxpayers not subject to the premium. This was to ensure that sample included residents who would be directly affected and those that would not.

**Consultation Activity**

|  |  |             |          |
|--|--|-------------|----------|
| <b>Type of engagement/consultation</b>           | Survey   | <b>Date</b> | 19/12/23 |
| <b>Who attended/participated?</b>                | All current council tax payers that would be affected by the change and a random sample, of the same number, of other council tax payers |             |          |
| <b>Protected characteristics of participants</b> |  |             |          |

**Feedback**

In total 28 responses had been received:

- 18 were in favour of no changes
- 4 were in favour of reducing the time limit to one year before a premium is charged on unoccupied and unfurnished
- 2 were in favour of introducing the premium on second homes
- 4 were in favour of introducing both changes

16 out of the 18 that favoured no change were consultees that currently are liable for council tax on a property that would have been subject to the premium under the proposed rules.

Of the four that were in favour of introducing the premium on 'second homes' were in the affected list 3 would have been affected by the changes.

Both of the consultees in favour of just introducing the premium on second homes were in the affected group but would have been affected by the reduction in time for unoccupied and unfurnished properties

|                                   |   |                           |  |
|-----------------------------------|---|---------------------------|--|
|                                   | <p>All of those in favour of introducing both changes were from consultees that would not be affected by the proposed changes.</p> <p>In addition one response raised concerns that they felt the proposals would be unfair to married couples compared to unmarried couples and that the proposals could lead to extra charges to parents helping children onto the property ladder.</p> |                           |  |
| <b>6</b>                          | <b>Concise overview of all evidence, engagement and consultation</b>  |                           |  |
|                                   | <p>In general those affected by the change are not in favour of the changes, whilst those not affected are in favour of the proposed change at least in part.</p>   |                           |  |
| <b>7</b>                          | <b>How may the proposal impact each protected characteristic or group? The impact may be positive, negative, neutral or not known. Give reasons and if action is needed.</b>  |                           |  |
|                                   | <b>Characteristic</b>   | <b>Impact</b><br>Yes / No | <b>Reason</b>  |
|                                   | <b>Age</b>  | Neutral                   | The proposal is linked directly to property ownership (i.e. council tax liability) and not targeted at any protected characteristic or group |
|                                   | <b>Disability</b>   |                           |  |
|                                   | <b>Gender reassignment</b>  |                           |  |
|                                   | <b>Marriage and civil partnership</b>   |                           |  |
|                                   | <b>Pregnancy and maternity</b>  |                           |  |
|                                   | <b>Race</b>   |                           |  |
|                                   | <b>Religion or belief</b>   |                           |  |
|                                   | <b>Sex</b>  |                           |  |
|                                   | <b>Sexual orientation</b>   |                           |  |
|                                   | <b>Armed Forces</b>   |                           |  |
|                                   | <b>Care responsibilities</b>  |                           |  |
|                                   | <b>Health, Social and economic inequalities</b>   |                           |  |
|                                   | <b>Other (Give Detail)</b>  |                           |  |
|                                   | <b>Further information</b>  |                           |  |
|                                   |   |                           |  |
| <b>8</b>                          | <b>Does your proposal link with other proposals to have a cumulative effect on particular equality groups? If yes, give details.</b>  |                           | (Delete one)<br><b>No</b>  |
|                                   |   |                           |  |
| <b>9</b>                          | <b>Which justifiable action does the evidence, engagement and consultation feedback suggest you take?</b>   |                           |  |
|                                   | A   | No major change required  |  |
| <b>Action and monitoring plan</b> |   |                           |  |

| Action Date | Action | Responsibility | Outcome Date | Outcome |
|-------------|--------|----------------|--------------|---------|
|             |        |                |              |         |
|             |        |                |              |         |
|             |        |                |              |         |
|             |        |                |              |         |

| Update to EqIA |        |
|----------------|--------|
| Date           | Detail |
|                |        |
|                |        |
|                |        |

**Contact us**

Community, Equality and Cohesion  
Resources and Transformation

Telephone 01922 655797

Textphone 01922 654000

Email [equality@walsall.gov.uk](mailto:equality@walsall.gov.uk)

Inside Walsall: [http://int.walsall.gov.uk/Service\\_information/Equality\\_and\\_diversity](http://int.walsall.gov.uk/Service_information/Equality_and_diversity)

## Cabinet – 8 February 2023

### Healthy Lifestyle Service Contract Extension

|                            |  |
|----------------------------|--|
| <b>Portfolio:</b>          | Councillor Flint, Health and Wellbeing |
| <b>Related portfolios:</b> | Councillor Elson, Children's           |
| <b>Service:</b>            | Public Health                          |
| <b>Wards:</b>              | All                                    |
| <b>Key decision:</b>       | Yes                                    |
| <b>Forward plan:</b>       | Yes                                    |

#### 1. Aim

- 1.1. The aim of the request for an extension is to continue the Healthy Lifestyle Service that provides health and wellbeing advice and support to residents. The extension period will allow Walsall Council time to complete the competitive tendering process for the new Wellbeing Service. Initiating the tender was put on hold whilst Public Health explored other commissioning options complementary to local ambitions for greater collaboration.

#### 2. Summary

- 2.1. MyTime Active's Healthy Lifestyle contract was initially awarded from 1<sup>st</sup> August 2016 to 30<sup>th</sup> April 2019 with an option to extend annually until 30<sup>th</sup> April 2021 (which was taken). On 9<sup>th</sup> December 2020 Cabinet approved a further 23-month extension due to the Covid-19 pandemic from 1<sup>st</sup> May 2021 to 31<sup>st</sup> March 2023. The annual contract value is £717,798.
- 2.2. This report seeks approval to extend the Healthy Lifestyle contract for up to 12 months from 1 April 2023 up to and including 31 March 2024 to maintain accessible support for residents who need support to improve their health and wellbeing. This would be the third extension to the original contract. The value of the extension will be up to £717,798.



### **3. Recommendations**

- 3.1. That Cabinet approve the extension of the Healthy Lifestyle Services contract from 1 April 2023 up to and including 31 March 2024 with MyTime Active at a cost of up to £717,798.
- 3.2. That Cabinet delegate authority to the Director of Public Health, in consultation with the Portfolio Holder for Health and Wellbeing, to subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents for such services.
- 3.3. That Cabinet delegate authority to the Director of Public Health, in consultation with the Portfolio Holder for Health and Wellbeing to authorise any variations to the contractual arrangements or other related documents for such services should this be required throughout the duration of the term of the further extended contract, providing they are in line with the Council's Contract Rules and any relevant legislation, including the Public Contracts Regulations 2015.

### **4. Report detail - know**

#### ***Context***

- 4.1. Poor health behaviours, including smoking, sedentary lifestyles, unhealthy eating, and obesity are associated with increased risk of low mental wellbeing and a wide range of negative physical health outcomes, such as heart disease, certain cancers, diabetes, stroke, and respiratory conditions.
- 4.2. The scale of unhealthy behaviours in Walsall is substantial with:
  - 33.6% residents being inactive, worse than both regional (25.6%) and national average (23.4%)
  - 5 a day consumption of fruit and vegetables (51.3%) below regional (52.6%) and national average (55.4%)
  - Over 70% of adults being overweight, worse than both regional (66.8%) and national (63.5%)
- 4.3. The Healthy Lifestyle Service provides support to residents to live well, by addressing multiple lifestyle factors that influence their health and well-being and building their capability to be independent, resilient and improve their health. The integrated approach to Healthy Lifestyle provision has moved

beyond services focusing on single issues, offering a more holistic, efficient, and effective means of supporting residents to improve their health and wellbeing.

- 4.4. The Healthy Lifestyle service branded as “One You Walsall” is delivered by MyTime Active. It offers universal support through a single point of access telephone line that provides access to a range of interventions. There is also a website with further details of local and national support and a range of self-help options, such as digital apps. The targeted element of the service provides more personalised and intensive advice (e.g., weight management, physical activity, emotional health and wellbeing) and support (e.g., up to 12 weeks of regular contact) for those residents that need it. The service also provides health and wellbeing support targeted at workplaces and a healthy family programme (for 2- to 7-year-olds).
- 4.5. MyTime Active’s Healthy Lifestyle contract was initially awarded from 1<sup>st</sup> August 2016 to 30<sup>th</sup> April 2019 with an option to extend annually until 30<sup>th</sup> April 2021 (which was taken). On 9<sup>th</sup> December 2020 Cabinet approved a further 23-month extension due to the Covid-19 pandemic from 1<sup>st</sup> May 2021 to 31<sup>st</sup> March 2023. The annual contract value is £717,798.
- 4.6. A further extension of the contract will allow adequate time to complete the competitive tendering process for the replacement to the Healthy Lifestyle Service, a new Wellbeing Service. The Wellbeing Service will provide support (e.g., signposting to existing services) for the wider determinants of health (e.g., employment, housing, debt etc) in conjunction with tailored advice/interventions to promote healthy behaviours (e.g., weight management, stopping smoking, NHS Health Checks). Addressing issues relating to the wider determinants of health (or fundamentals of wellbeing) will provide clients with more capacity to address unhealthy behaviours.
- 4.7. The start of the tendering process for the Wellbeing Service was put on hold whilst Public Health explored other commissioning options complimentary to local ambitions for greater collaboration and local investment. Following a process to sort through different commissioning options and seek external legal advice, it has been concluded that a competitive procurement continues to be the best option for ensuring effective service provision and positive outcomes and best value.

#### ***Council Plan priorities***

- 4.8. Extending the contract as proposed will continue to support the Council Plan priorities particularly:

- People can access support in their community to keep safe and well and remain independent at home.
- People are supported to maintain or improve their health, wellbeing, and quality of life.

The Healthy Lifestyle Service provides support so residents can look after their own and their family's health and wellbeing. It provides clients with the tools and motivation to sustain healthy behaviours that will make a substantial difference to their health and wellbeing throughout their life course.

### ***Risk management***

- 4.9. A hiatus of provision would occur if the contract is not extended. This would lose continuity and therefore has the potential to cause reputational impact to Walsall Council because of an apparent gap in this important area of service provision.
- 4.10. There is a risk of provider market challenge with any extension of this nature. However, given the knowledge of the provider market this risk is considered to be low. Any risk of challenge is further mitigated by extending the contract in accordance with Regulation 72 of the Public Contract Regulations 2015, while a competitive tendering process is completed. This will reassure the market that a compliant tendering process is imminent during the extension of the existing contract.

### ***Financial implications***

- 4.11. The budget for this contract extension is £717,798 and will be funded from the existing budget from within the Public Health Grant.

### ***Legal implications***

- 4.12. The circumstances in which the contract can be extended are regulated by regulation 72 of the Public Contracts Regulations 2015 (as amended).

### ***Procurement Implications/Social Value***

- 4.13. The extension via Regulation 72 could potentially attract a challenge from the provider market. However, given the knowledge of the provider market this risk is considered low. Any risk is further mitigated by extending the contract via Regulation 72 of the Public Contract Regulations 2015, while a competitive tendering process is initiated and completed.

- 4.14. MyTime Active are required to demonstrate how they offer Social Value in economic, environmental and/or social benefits to their employees and residents. The Council's Social Value Toolkit is used as a guide.

#### ***Property implications***

- 4.15. There are no property implications arising out of this report.

#### ***Health and wellbeing implications***

- 4.16. Continuing to commission this service will enable the Council to promote the health and wellbeing of Walsall residents.
- 4.17. From May to October 2022, the Healthy Lifestyle service has seen over 4000 inward referrals. Approximately, 900 of these have accessed targeted support. A large proportion of clients achieve positive outcomes. For example, approximately 65% lose weight and average mental wellbeing score (measure through WHO-5 validated questionnaire) increased from 51.3 at assessment, to 63.6 at 12 weeks and 67.0 at 26 weeks. The service is currently working with 12 workplaces to support employee's health and wellbeing.

#### ***Reducing Inequalities***

- 4.18. The Healthy Lifestyle service offers both universal and targeted provision to those in greatest need. The Healthy Family programme supports families to make healthy choices (e.g., healthy eating). Targeted support for adults offers tailored advice to those that are overweight, inactive or require support for their emotional health and wellbeing. The healthy workplace element of the service provides health and wellbeing support to staff employed in local businesses. This is focused on routine and manual employers to ensure increased engagement with certain groups. For example, men who are less likely to access support for certain health behaviours (e.g., weight management).

#### ***Staffing implications***

- 4.19. There are no staffing implications arising out of this report.

#### ***Climate Impact***

- 4.20. Clients are supported to utilise more sustainable forms of travel, particularly walking and cycling. This will help to improve air quality.

## **5. Decide**

- 5.1. Cabinet is asked to agree an extension of up to 12 months from 01 April 2023 to 31 March 2024, to the current contract with MyTime Active.
- 5.2. That Cabinet delegate authority to the Director of Public Health, in consultation with the Portfolio Holder for Health and Wellbeing, to subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents for such services.
- 5.3. That Cabinet delegate authority to the Executive Director of Public Health, in consultation with the Portfolio Holder for Health and Wellbeing to authorise any variations to the contractual arrangements or other related documents for such services should this be required throughout the duration of the term of the further extended contract, providing they are in line with the Council's Contract Rules and any relevant legislation, including the Public Contracts Regulations 2015.

## **6. Respond**

- 6.1. Subject to Cabinet approval of the recommendations, Public Health will work with corporate colleagues to:
  - Progress the negotiation and completion of the extended contract
  - Complete a compliant procurement of the Wellbeing Service in accordance with the Public Contracts regulations 2015.

## **7. Review**

- 7.1. Once awarded and fully commissioned, the extended contract will be reviewed in line with contract management and individual support plan review process.

## **Background papers**

None

**Author**

Joe Holding  
Senior Public Health Development Manager (Health Improvement)  
✉ Joe.Holding@walsall.gov.uk  
☎ 658073



Stephen Gunther  
Director of Public Health

31 January 2023



Councillor Flint  
Portfolio Holder Health and Wellbeing

31 January 2023

## Cabinet - 8 February 2023

### Determination of the Scheme for coordinated admissions, and the Admission Arrangements for Community and Voluntary Controlled Primary Schools for the 2024/25 academic year

|                      |  |
|----------------------|--|
| <b>Portfolio:</b>    | Councillor Statham – Education & Skills            |
| <b>Service:</b>      | Admissions & Education Sufficiency, Access Service |
| <b>Wards:</b>        | All wards  |
| <b>Key decision:</b> | Yes  |
| <b>Forward plan:</b> | Yes  |

#### 1. Aim

To ensure that Walsall Council meets its statutory duty to offer a school place to all Walsall resident children, and to determine the admission arrangements for community and voluntary controlled schools in accordance with the requirements of Section 89 of the School Standards and Framework Act 1998 and the School Admissions Code 2021.

#### 2. Summary

- 2.1. This report sets out the proposed scheme for co-ordinated secondary and primary admissions and mid-year admissions for the 2024/25 academic year and the proposed admission arrangements for primary community and voluntary controlled schools for the 2024/25 academic year.
- 2.2 Walsall Council is not the Admission Authority for any of the secondary schools in the borough, all of whom must determine their own admission arrangements for 2024/25 by 28 February 2023

#### 3. Recommendations

- 3.1 That the proposed schemes as set out in **Appendix A** for inter-authority coordinated admissions for 2024/25 are approved.
- 3.2 That the admission arrangements for community and voluntary controlled primary schools for the academic year 2024/25, as set out in **Appendix B** of this report, are determined.
- 3.3 That Walsall Council informs all relevant stakeholders of the determination of its admission arrangements for the 2024/25 academic year in accordance with the provisions of the School Admissions Code 2021.

## **4. Report detail – know**

### ***Context***

- 4.1. As a Local Authority, Walsall Council has the responsibility to draw up and agree schemes for secondary and primary admissions for the 2024/25 academic year. Walsall Council is the Admission Authority for all community and voluntary controlled Primary schools in Walsall. Section 89 of the School Standards and Framework Act 1998 requires admission authorities to determine the admission arrangements for the 2024/25 school year by 28 February 2023.

### ***Council Corporate Plan priorities***

- 4.2. The admission arrangements for primary community and voluntary controlled schools for the 2024/25 academic year set out a fair and equitable process for children wishing to be admitted to Walsall schools as part of the phased admissions transfer rounds in September 2024 and throughout the 2024/25 academic year as part of midyear admissions process. These arrangements support the Council's Corporate Plan Priorities, specifically the priority that all children, especially those children who are looked after or have previously been in public care can have the best start and are safe, happy, healthy, and learning well.

### ***Risk management***

- 4.3 The admission arrangements will be included in Walsall's admissions booklet. This is the Council's composite prospectus, and this document will be published on Walsall Council's website. The provision of clear information will help parents and carers to decide upon their preferences when applying for a school place for their child and should contribute to a reduction in the number of admission appeals.

Children who miss education because they do not have a school place are at risk of failing to develop the skills necessary to enable them to enter the workforce. There are also significant safeguarding risks. The admissions arrangements and coordinated admissions process ensure that school places are offered fairly and equitably to applicants, and that children who cannot be offered one of their parent's preferred schools are allocated a place at an alternative school to mitigate against these risks.

### ***Financial implications***

- 4.5 None

### ***Legal implications***

- 4.6. All Local Authorities are required by section 88M of the School Standards and Framework Act and the Co-ordination Regulations, to have in place a scheme each year for co-ordinating admission arrangements for maintained schools and academies within their area.



Walsall Council, as an Admission Authority, has a statutory duty to determine the proposed admission arrangements for community and voluntary controlled schools.

Admissions authorities are statutorily required to complete consultation on any changes to their proposed admission arrangements for the 2024/25 school year by 31 January 2023, and must determine (or finalise) these by 28 February 2023. However, Walsall Local Authority is not proposing to make any changes to the re-arrangements that have been previously determined for the 2022/23 academic year. These arrangements were previously determined by Cabinet on 10 February 2021 and then re-determined on 21 July 2021 to include a mandatory variation to the arrangements. This was to ensure that the arrangements were compliant with the provisions of the new School Admissions Code which was published in May 2021.

In accordance with s.1.45 of the School Admissions Code 2021, there is no requirement for Walsall Local Authority to consult on its admission arrangements prior to determination given that there are no proposed changes to the existing arrangements that in are in place for the 2023/24 academic year.

In addition, all admissions authorities are required to consult on their admissions arrangements at least once every seven years even if there have been no changes during that period. Given that Walsall Local Authority consulted on its proposed admissions arrangements for the academic year 2021/22 then this is not applicable for the academic year 2024/25.

The proposed admission arrangements comply with the School Admissions Code (2021).

### ***Procurement Implications/Social Value***

4.7 None

### ***Property implications***

4.8 None

### ***Health and wellbeing implications***

4.9. The Local Authority has a duty to ensure that all children resident within the borough have a school place, and this contributes to their health and wellbeing by ensuring that they have the best start in life in a Walsall school. These admissions arrangements also ensure that all children who are looked after or have previously been in public care whether in England or outside of England are given the highest admissions priority for entry into preferred schools.

The admissions arrangements for community and voluntary controlled schools and the scheme for coordinated admissions ensure that, where possible, children are place in one of their parents' preferred schools, and where this is not possible that

they are allocated a place at a suitable school, enabling them to receive an appropriate education and maximise their opportunities.

### ***Staffing implications***

4.10 None

### ***Reducing Inequalities***

4.11 In line with the requirements of the School Admissions Code (2021), and in order to ensure greater equity and fair access to education provision full consideration has been given to the possible impact, direct or indirect, of the proposed admission criteria on equal opportunities. In particular the challenges facing children and young people who have been in public care are well documented. The purpose of these changes is to ensure that all children who are looked after or who have been in public care are given highest admissions priority for their preferred schools. This is to ensure that these children and young people are given the best possible opportunity to thrive and achieve the best possible educational outcomes.

### ***Climate Change***

4.12 There are no implications.

### ***Consultation***

4.13 In accordance with the provisions of the School Admissions Code 2021, s.1.45 where there are no proposals to make changes to the admission arrangements from the previous year “there is no requirement to consult, subject to the requirement that admissions authorities **must** consult on their admission arrangements at least once every 7 years, even if there have been no changes during that period.”

14.2. Walsall Local Authority previously consulted on its admissions arrangements for the 2021/22 academic year. Since there are no proposed changes to these admissions arrangements for the 2024/25 academic year then there is no requirement for Walsall Local Authority to undertake any consultation prior to determination.

## **5. Decide**

5.1. Cabinet is asked to determine these admission arrangements for community and voluntary controlled primary schools for the 2024/25 academic year in accordance with the recommendations as set out above in section 3 of this report.

## **6. Respond**

The determined admission arrangements for 2024/25 will be published on the Walsall Council website once approved.

## 7. Review

The admissions arrangements for Walsall community and voluntary controlled primary schools, and the scheme for coordinated admissions are reviewed annually each summer term. The 2024/25 admission arrangements and coordinated scheme will be reviewed in summer term 2023..

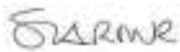
### Background papers

School Admissions Code (2021)

### Author

Alex Groom  
Admissions & Education Sufficiency Manager

✉ alex.groom@walsall.gov.uk



Sally Rowe  
Executive Director  
Childrens and Customer  
20.01.2023



Councillor Statham  
Portfolio Holder  
31.01.2023

## Appendix A

### Proposed Schemes for coordinated Primary, Secondary and Midyear Admissions for Walsall for 2024/25

#### 1. Secondary Admissions

Walsall Council participates in an inter-Local Authority coordinated admission scheme with a number of neighbouring Local Authorities, namely Birmingham, Dudley, Sandwell, Staffordshire and Wolverhampton .

Parents should complete an online application. This will enable Walsall parents of Year 6 children (who will transfer to secondary education in September 2024) to name up to five secondary schools, rank them in order of preference and give reasons for their preference. The online application may be used to apply for a place at any secondary school in or outside the borough.

Parents who name Queen Mary's Grammar School, Queen Mary's High School, The Walsall Academy, a Specialist Music Place at Aldridge School or a Sport's Place at Ormiston Shelfield Academy on the online form must also complete the school's own Registration Form.

Parents who name Blue Coat CE Academy, Brownhills School, Shire Oak Academy or St Francis of Assisi Catholic School, or St Thomas More Catholic Business and Enterprise College on the online form must also complete the school's own supplementary information form.

Online applications must be submitted by the national closing date of **31 October 2023**.

Preferences, which are changed or added after the closing date up without a significant change in circumstances, will be processed as late applications.

All preferences which are changed or added after 30 November 2023 will be processed as late applications. When notifying a significant change of circumstances the applicant must supply documentary evidence to confirm the change. An example of a significant change of circumstances is a house move that necessitates a change of preference(s). This would need to be validated by documentary evidence such as a solicitor's letter confirming exchange of contract or a copy of the tenancy agreement which confirms residence at the new address not just ownership.

All applications for named schools will be considered in accordance with each school's published admission criteria. Schools, which are their own Admission Authority, will be informed of all applications naming their school, but not the rankings. These schools will inform the Admissions & Education Sufficiency Team of the order in which all applicants meet their admission criteria.

Walsall Council will exchange application data and supporting documentation in respect of pupils resident in Walsall, who have applied for schools outside the

borough, with the appropriate maintaining Local Authorities. Similar information will be received for applications from out of borough residents who have expressed preferences for Walsall secondary schools.

**By 5 January 2024** Walsall Council will input the results of all applications to Walsall schools and a list of potential offers will then be produced. These potential offers will then be exchanged with other Local Authorities in respect of the results of out of borough applications. The information received will state which Walsall residents have the potential offer of a place in an out of borough school. This information will be transferred onto the Walsall database, compared to rankings and will result in a list of provisional offers.

**By 15 January 2024**, the provisional offers will be exchanged with other Local Authorities in respect of out of borough applications. The information received will state which Walsall residents have a provisional offer of a place in an out of borough school. These will be transferred onto the Walsall database, compared to rankings and the results will be the final allocation of places at Walsall secondary schools.

**By 12 February 2024**, the final allocations will be exchanged with the other Local Authorities in respect of the results of out of borough applications.

If a Walsall child does not meet the admission criteria for any of their preferred schools then Walsall Council will allocate a place at the nearest alternative secondary school with vacant places following consultation with the relevant admission authority.

**On the National Notification Date, 1 March 2024 (or the next working day)**, email notification of the outcome of their application will be sent to all parent/carer who are a resident in Walsall who submitted an online application.

The Local Authority will make just one offer of a school place to each child, further offers will only be made after the offer date if it is subsequently possible to offer a child one of their parents higher ranked preferences.

An offer of a school place will not be withdrawn unless it is subsequently found to have been made in error, or as the result of a fraudulent, or intentionally misleading application, or the parent informs the Local Authority that they have made alternative arrangements for their child's education and no longer require a secondary school place.

## **2. Primary Admissions**

Walsall Council participates in an inter-Local Authority coordinated admission scheme in partnership with a number of neighbouring Local Authorities, namely Birmingham, Dudley, Sandwell, Staffordshire and Wolverhampton.

Parents should complete an online application. This will enable Walsall parents of Nursery children to name up to 3 primary schools and parents of Year 2 children - currently on the roll of an Infant School - to name up to 3 junior schools, rank them

in order of preference, and give reasons for their preference. The online form may be used to apply for a place at any primary/junior school in or outside the borough.

Parents of children who are in nursery provision in Walsall, and are resident in Walsall must apply online if they want their child to join a reception class in a Walsall primary school or in another local authority's area.

Attendance at a Walsall school's nursery provision or co-located children's centre does not guarantee a place at a Walsall primary school.

Online applications must be submitted on the Walsall Council website by the closing date of **15 January 2024**.

Preferences changed or added after the closing date without a significant change in circumstances will be processed as late applications. This will apply to applications submitted by 28 February 2024.

When notifying a significant change of circumstances, the applicant must supply documentary evidence to confirm the change. An example of a significant change of circumstances is a house move that necessitates a change of preference(s). This would need to be validated by documentary evidence such as a solicitor's letter confirming exchange of contract or a copy of the tenancy agreement.

All applications for named schools will be considered in accordance with each school's published admission criteria. Schools that are their own Admission Authority will be provided with a list of information in respect of all applications naming their school, but not the rankings, together with copies of any supporting documentation. These schools will use the information provided to apply their admission criteria and will then inform the Admission & Education Sufficiency Team of the order in which all applications meet their admission criteria.

Where a child meets the admission criteria of more than one of the schools named on the online application form then Walsall Council will allocate a place at the highest ranked of those schools. Admission Authorities will be advised of the pupils to be offered places.

The table below gives details of Walsall primary schools, which are their own admission authorities:-

| Foundation Schools | Voluntary Aided Church of England Schools | Voluntary Aided Catholic Schools       | Academies                             |
|--------------------|---|--|---------------------------------------|
| Manor Primary      | Blue Coat CE (A) Infant                   | St Anne's Catholic Primary             | All Saint's Academy                   |
|                    | Blue Coat CE (A) Junior                   | St Francis Catholic Primary            | Birchills CE Primary Community School |
|                    | Cooper and Jordan CE(VA) Primary          |  | Blackwood School                      |
|                    |   | St Joseph's Catholic Primary           | Bloxwich Academy                      |
|                    |   | St Mary of the Angels Catholic Primary | Brownhills Primary Academy            |
|                    |   | St Mary's the Mount Catholic Primary   | Busill Jones Primary School           |
|                    |   | St Patrick's Catholic Primary          | Caldmore Primary Academy              |
|                    |   | St Peter's Catholic Primary            | Croft Academy                         |

|  |  |  |                                  |
|--|--|--|----------------------------------|
|  |  | St Thomas of Canterbury Catholic Primary | Edgar Stammers Primary Academy   |
|  |  |  | Fibbersley Park Primary Academy  |
|  |  |  | Goldsmith Primary Academy        |
|  |  |  | Jubilee Academy Mossley          |
|  |  |  | Lodge Farm Primary Academy       |
|  |  |  | North Walsall Academy            |
|  |  |  | Park Hall Infant Academy         |
|  |  |  | Park Hall Junior Academy         |
|  |  |  | Reedswood E-Act Academy          |
|  |  |  | Rivers Primary Academy           |
|  |  |  | Ryders Hayes School              |
|  |  |  | St Bernadette's Catholic Primary |
|  |  |  | Wood's Bank Primary Academy      |
|  |  |  | Woodlands Academy of Learning    |
|  |  |  | Pheasey Park Farm Primary        |

**By 26 January 2024**, Walsall Council will exchange application data and supporting documentation in respect of pupils resident in Walsall, who have applied for schools outside the borough, with the appropriate maintaining Local Authorities. Similar information will be received for applications from out of borough residents who have expressed preferences for Walsall primary schools.

**By 16 February 2024**, Walsall Council will input the results of all applications to Walsall schools and a list of potential offers will then be produced. These potential offers will then be exchanged with other Local Authorities in respect of the results of out of borough applications. The information received will state which Walsall residents have the potential offer of a place in an out of borough school. This information will be transferred onto the Walsall database, compared to rankings and will result in a list of provisional offers.

**By 1 March 2024**, the provisional offers will be exchanged with other Local Authorities in respect of out of borough applications. The information received will state which Walsall residents have a provisional offer of a place in an out of borough school. These will be transferred onto the Walsall database, compared to rankings, and the results will be the final allocation of places at Walsall secondary schools.

**By 28 March 2024**, the final allocations will be exchanged with the other Local Authorities in respect of the results of out of borough applications.

If a Walsall child does not meet the admission criteria for any of their preferred schools then Walsall Council will allocate a place at the nearest alternative primary school with vacant places, after consultation with the relevant admission authority.

**On the National Notification Date, 16 April 2024 (or next working day)**, email notification of the outcome of their application will be sent to all parents of Walsall resident children who submitted an online application and requested email notification.

The Local Authority will make just one offer of a school place to each child, further offers will only be made after the offer date if it is subsequently possible to offer a child one of their parents higher ranked preferences. An offer of a school place will not be withdrawn unless it is subsequently found to have been made in error, or as the result of a fraudulent, or intentionally misleading application, or the parent informs the Local Authority that they have made alternative arrangements for their child's education and no longer require a secondary school place.

### **3. Late Application Policy**

The online portal will close for secondary applications on 31 October 2023.

The online portal will close for primary applications (Reception & Junior) 15 January 2024.

Late Applications and, where appropriate, schools' own Registration Forms, received after the Closing Date, are processed as late applications. Any request to change the name or ranking of a school made after the closing date will be processed in accordance with the late application policy.

Late applications will be considered for places after all the applications that were received by the Closing Date therefore, it is very likely that late applicants will not be offered a place at one of their preferred schools. If all preferred schools have been filled with on-time applications the closest school to the home address with vacancies will be allocated.

Applications received after the closing date will be passed to the appropriate Admission Authority for consideration under its Late Application Policy. Each Admission Authority is required to publish its own Late Application Policy which explains how late applications will be dealt with. The Late Application Policy for all Walsall community and voluntary controlled schools is shown below.

#### **3.1 Late Applications received up to 4 weeks after the Closing Date**

Late applications received up to four weeks after the Closing Date may be considered as being on-time but only where there are exceptional circumstances, including:

- Where the family were unable to submit their online application to Walsall Council on time because they moved into the Borough of Walsall after the Closing Date;
- The family were unable to comply with the admission timetable because of exceptional circumstances which prevented them from submitting their online application;
- When a single parent has been ill for some time.



In these cases, the circumstances must be given in writing at the time of application they will be subject to verification by the Admissions & Education Sufficiency Manager.

For secondary schools, this applies to applications received between 1 November 2023 and 30 November 2023.

For primary schools, this applies to applications received between 16 January 2024 and 14 February 2024.

### **3.2 Late applications received more than 4 weeks after the closing date**

Applications for schools received more than 4 weeks after the closing date but before the notification date will be processed as late applications and the applicant will receive notification of their offers as soon as possible after national offer day.

For secondary schools, this applies to applications received between 1 December 2023 and 28 February 2024.

For primary schools, this applies to applications received between 15 February 2024 and 15 April 2024.

### **3.3 Late applications received after the notification date (once places have been offered)**

Applications received after the notification date: a place will be offered at the highest ranked school if places are available.

For Walsall residents, if a place is not available at any of the preferred schools a place will be offered by Walsall Council at the nearest alternative Walsall school with vacant places, after consultation with the relevant admission authority and the child's name will be added to the waiting list for schools listed as preferences in admission criteria order, for any schools out of borough contact will have to be made with that Local Authority to request for the child to remain on the waiting list

## **4. Waiting list policy**

Waiting Lists for all Walsall schools, other than Walsall Academy, will be maintained by Walsall Council until 31 August 2023, at this point they will be sent to the necessary school for coordinating in line with their midyear applications. Parents may enquire about their child's position on any Waiting list by contacting the emailing the Admissions & Education Sufficiency Team, [schooladmissionsadvice@walsall.gov.uk](mailto:schooladmissionsadvice@walsall.gov.uk)

Children in Care and previously children in care and those who are allocated to a school in accordance with Walsall's Fair Access Protocol must take precedence over those children on the waiting list.

Waiting lists are kept of all children who have been refused a place at any school that was ranked higher than the school at which they have been offered a place, for example

- If a child is offered a place at the school that was ranked 2<sup>nd</sup> on their application, then the child's name will only be placed on the waiting list for the school that was ranked 1<sup>st</sup>.
- If a child is offered a place at their parent's first preference school the child's name will not be added to any waiting list kept for lower ranked schools, unless requested in writing.

After 1 March 2024 (or next working day) for secondary transfers, or 16 April 2024 (or next working day) for primary admissions, a parent may contact the Admissions & Education Sufficiency Team to apply for a place at an oversubscribed Walsall school. Their child's name will be placed on the school's waiting list in admission criteria order.

Any vacancies will be offered based on the admission criteria for the school.

The Local Authority will continue to co-ordinate the primary and secondary phased rounds and will retain waiting lists until 31 August 2024.

After this, waiting lists for phased rounds will be held by the relevant admissions authority for a term only until 31 December 2024.

From 1 January 2025, parents who wish their child to be added to a new waiting list for a Walsall primary or secondary school should apply via either the primary or secondary mid-year admission application process.

## **5. Midyear Admissions**

### **5.1 Applications for midyear admission to Walsall primary school 2024/25**

The Local Authority will coordinate the midyear admission process for applications to all Walsall primary schools and academies who have opted to join their co-ordinated scheme for the academic year 2024/25.

The list of primary schools and academies that have opted to join the Local Authority's scheme and those that have opted to co-ordinate their own arrangements for the academic year 2024/25 will be available on the Local Authority's website from 1 September 2024.

Parents who wish to apply for mid-year admission other than at the usual point of entry (Reception or Year 3 when transferring from an infant school to a junior school) for any school that has opted to join the Local Authority's Co-ordinated scheme should submit an online application via the school admission pages of the Walsall Council website.

Any supplementary information forms required by a school must be returned to the relevant school. Where a parent completes a supplementary form, it will not be regarded as a valid application unless the parent has also listed a preference for the school on their online midyear admission application.

Parents who wish to apply for mid-year admission other than at usual point of entry (Reception or Year 3) when transferring from an infant school to a junior school) for any school that has opted to co-ordinate their own mid-year admissions process should apply directly to their preferred schools.

Parents who wish to apply for mid-year admission to any school outside of the Walsall Local Authority area should contact the relevant local authority directly.

All Walsall maintained mainstream primary schools and academies must provide the Local Authority with accurate details of the number of vacancies in each year group on a weekly basis. This vacancy return process is to enable places to be offered to applicants for primary midyear admission at those schools that have opted to participate in the Local Authority's co-ordinated scheme without unnecessary delay. This process will also enable the Admissions & Education Sufficiency Team to fulfil its statutory duty to provide advice and guidance to parents and carers about school place availability in all primary schools in Walsall, not just those that are part of the Local Authority's co-ordinated scheme for mid-year admissions.

On receipt of an application for a primary midyear admission for a school that is part of the Local Authority's Co-ordinated admissions scheme for the academic year 2024/25 the Admissions & Education Sufficiency Team will assess the application in accordance with the relevant admissions criteria.

Once an application has been assessed in accordance with the published admission criteria of the preferred schools, the Local Authority must write to the applicant within 15 days of the receipt of their application to indicate one of the following outcomes:

- Where the child is eligible for a place at one or more of their parent's preferred schools they will be offered a place at the highest ranked preference;
- Where it is not possible to offer the highest ranked preference, where possible a place will be offered at a lower ranked preference and the offer letter will contain details of how the parent may appeal against the decision to refuse a place at the higher ranked school, and where there is a waiting list their child's name will be added to it. Waiting lists will be held until the end of the academic year and parents who wish their child's name to be added to the new waiting list will need to resubmit their online application at the start of each new term;
- If it is not possible to offer the applicant a place at any of their parent's preferred schools and the child is currently without a school place, a place will be offered at an alternative Walsall school, which has places available, following consultation with other admissions authorities where appropriate.

Parents of children with a statement of special educational needs or an Education Health and Care Plan (EHCP) must contact Walsall Council's SEN Team or the Local Authority that issued their statement or EHCP if they wish their child to move to a new school.

## **5.2. Applications for midyear admission to Walsall secondary schools:**

Parents who wish to apply for admission to any Walsall mainstream secondary school other than at the usual point of entry (Year 7) must apply directly to their preferred schools.

Parents who wish to apply for places at schools outside of Walsall should contact the relevant local authority directly.

All Walsall mainstream secondary schools and academies must provide the Admissions and Education Sufficiency Team with accurate details of the number of vacancies in each year group on a weekly basis to enable the Local Authority to provide accurate advice to parents and carers on secondary school place availability in Walsall.

Schools must notify the Local Authority promptly of all direct applications that are received, and of the outcome of all applications for midyear admission.

School must inform each applicant in writing of the outcome of their application within 15 days of receipt of the application also including the details of how the applicant can appeal an admissions decision if appropriate.

Parents of children with a statement of special educational needs or an Education Health and Care Plan (EHCP) must contact Walsall Council's SEN Team or the Local Authority that issued their statement or EHCP if they wish their child to move to a new school.

## Proposed Admission Arrangements for Walsall Community and Voluntary Controlled Primary Schools for 2024/25

### 1. Admissions numbers for community and voluntary controlled primary schools for 2024/25

The following pages show the capacities and proposed Admission Numbers for community and voluntary controlled primary schools for 2024/25

The Admission Number is the capacity of the school to admit children at the normal age of entry in the 2024/25 academic year, that is:

- Admissions into Reception in infant and primary schools;
- Admissions into Year 3 in junior schools.

| Community or Voluntary Controlled Primary Schools | Proposed Admission Number |
|---|---------------------------|
| Abbey Primary                                     | 30                        |
| Alumwell Infant                                   | 90                        |
| Alumwell Junior                                   | 90                        |
| Barcroft Primary                                  | 60                        |
| Beacon Primary                                    | 60                        |
| Bentley West Primary                              | 60                        |
| Blakenall Heath Junior                            | 60                        |
| Butts Primary                                     | 30                        |
| Castlefort JMI                                    | 30                        |
| Christ Church CE (C) JMI                          | 60                        |
| Chuckery Primary                                  | 60                        |
| County Bridge Primary                             | 30                        |
| Delves Infant                                     | 90                        |
| Delves Junior                                     | 90                        |
| Elmore Green Primary                              | 45                        |
| Greenfield Primary                                | 45                        |
| Hillary Primary                                   | 90                        |
| Holy Trinity CE Primary                           | 30                        |
| King Charles Primary                              | 60                        |
| King's Hill Primary                               | 60                        |
| Leamore Primary                                   | 30                        |
| Leighswood  | 60                        |

|                                  |    |
|----------------------------------|----|
| Lindens Primary                  | 60 |
| Little Bloxwich CE (VC ) Primary | 30 |
| Lower Farm Primary               | 60 |
| Meadow View JMI                  | 60 |
| Millfield Primary                | 30 |
| Moorcroft Wood Primary           | 30 |
| New Invention Infant             | 90 |
| New Invention Junior             | 90 |
| Old Church CE (C) Primary        | 60 |
| Palfrey Infant                   | 90 |
| Palfrey Junior                   | 90 |
| Pelsall Village                  | 45 |
| Pinfold Street Primary           | 60 |
| Pool Hayes Primary               | 30 |
| The Radleys Primary              | 30 |
| Rosedale CE (C) Infant           | 90 |
| Rushall JMI                      | 30 |
| Salisbury Primary                | 45 |
| Short Heath Junior               | 90 |
| St Giles CE Primary              | 60 |
| St James Primary                 | 30 |
| St John's CE Primary             | 45 |
| St Michael's CE (C) Primary      | 60 |
| Sunshine Infant and Nursery      | 60 |
| Walsall Wood                     | 30 |
| Watling Street JMI               | 30 |
| Whetstone Field Primary          | 30 |
| Whitehall Nursery and Infant     | 90 |
| Whitehall Junior Community       | 90 |

## 2. Oversubscription criteria for community and voluntary controlled primary schools

If there are more applications than there are places available, places will be allocated using the Oversubscription Criteria in the following order of priority:

1. Children in Care and all previous children in care, including those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care because of being adopted. (See 3.1 below).
2. Pupils who have a sibling already in attendance at the school, or paired junior school when the application is made and who will be still attending the school at the proposed admission date (see 3.2 below);
3. Pupils for whom a place at the school is essential on medical or social grounds as supported in writing by a medical practitioner or a social worker. (Applications will be subject to verification by the Admissions & Education Sufficiency Manager) (see 3.3 below);

4. *For applications to junior schools only.* Attendance by the child at the relevant paired infant school, when the application is made (see 3.4 below);
5. *For applications to voluntary controlled Church of England primary schools only.* Up to 25% of places may be allocated as 'Church Places' to children, regardless of distance between home and school, whose parents are regular worshippers at a Christian church and whose application is supported in writing by the minister of the church where they worship (see 3.5 below);
6. Distance between the home address and the school as measured in a straight line with those living closer to the school receiving the higher priority (see 3.6 below).

If there is oversubscription in criteria 2 to 5, priority will be given to those living closest to the school as measured in a straight line.

### 3. Explanatory notes for Oversubscription Criteria

- 3.1 Children in Public Care (looked after children) and previously looked after children including those who (appear to the Admission Authority) to have been in state care outside of England and have ceased to be in state care as a result of being adopted.

Children who are in the care of a local authority or provided with accommodation by a local authority and previously looked after children who ceased to be looked after because they were adopted or became subject to child arrangement orders immediately following having been looked after **as well as** those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.

### 3.2 Sibling

A sibling is a child who resides at the same address as the child for whom a place is being requested and is one of the following:

- A brother or sister sharing the same parents;
- A half-brother or sister sharing one common parent;
- A step-brother or sister (i.e. related by their parent's marriage);
- Any other child for whom it can be demonstrated that he or she is residing permanently at the same address (e.g. under the terms of a residence order).

### 3.3 Social or medical factors

If parents believe there are specific medical or social reasons for claiming priority for a child to attend a particular school, the relevant part of the application must be completed and evidence to support the claim must be submitted to the Local Authority.

Requests for such consideration will be subject to verification by the Admissions & Education Sufficiency Manager. This is necessary because parents will be asking the Authority to assess the child as having a stronger case than many other children, some of whom may live closer to the school.

### 3.3a Medical Evidence

Medical evidence must be submitted in writing from a medical practitioner and should state why the preferred school is **the only school that can meet the child's needs**. This must relate to either the child or the parents, for example where the parent(s) or the child has a disability that may make travel to a school further away more difficult. Medical evidence, which relates to parent, will be considered in the following circumstances:

- Where the child lives with a single parent who has a medical condition or disability that may make travel to a school further away more difficult;
- Where the child lives with both parents and both parents have a medical condition or disability that may make travel to a school further away more difficult;
- Where a child lives with both parents and one parent has a medical condition or disability that may make travel to a school further away more difficult medical evidence may be considered if the other parent is unable to accompany the child on the journey to and from school because they are the sole carer for the other parent.

### 3.3b Social Evidence

Social evidence must be submitted in writing from an appropriate professional and should state why the preferred school is **the only school that can meet the child's needs**.

**Please note that preferences are only given priority under the medical/social criterion in very exceptional cases where medical or social evidence clearly demonstrates that the preferred school is the only school which can meet the child's needs.**

### 3.4 Paired infant and junior schools

The paired infant and junior schools are:

|                              |             |                            |
|------------------------------|-------------|----------------------------|
| Alumwell Infant              | paired with | Alumwell Junior            |
| Delves Infant                | paired with | Delves Junior              |
| New Invention Infant         | paired with | New Invention Junior       |
| Palfrey Infant               | paired with | Palfrey Junior             |
| Rosedale CE (C) Infant       | paired with | Short Heath Junior         |
| Sunshine Infant and Nursery  | paired with | Blakenall Heath Junior     |
| Whitehall Nursery and Infant | paired with | Whitehall Junior Community |

### 3.5 Church Places at voluntary controlled Church of England primary schools

The number of Church places available is determined by the Admission Number of the school. Voluntary controlled Church of England primary schools:

- with an admission number of 30 will offer a maximum of 7 Church Places;
- with an admission number of 45 will offer a maximum of 11 Church Places;
- with an admission number of 60 will offer a maximum of 15 Church Places;
- with an admission number of 90 will offer a maximum of 22 Church Places.



If there is over-subscription for Church Places, priority will be given to those living closest to the school as measured in a straight line.

'Regular worshipper' is defined as attending a place of worship on at least one occasion per month over the past twelve months.

### **3.6 Distance**

Distance will be measured in a straight line from the centre point of the home address to the centre point of the school address using the Local Authority's computerised measuring system with those living closer to the school receiving the higher priority.

#### **3.6a Definition of a home address**

The home address of a child is the permanent residence of a child in a residential property when the place is offered. The address must be the child's only or main residence and is either:

- owned by the child's parent(s) or guardian; or
- leased to or rented by the child's parent(s), or guardian under lease or written rental agreement of not less than six months duration.

Documentary evidence of ownership or rental agreement may be required together with proof of actual permanent residence at the property concerned. In certain circumstances the child's current school will be asked to verify the address given.

Where parents have shared responsibility for a child and the child lives with both parents for part of the week, the main residence will be determined as the address where the child lives for the majority of the week. Parents may be requested to supply documentary evidence to support the address used for the application.

The offer of a place is based upon the address of the child when the offer is made. If a child is offered a place at an oversubscribed school the place may be withdrawn if it is found that the child moved (before the place was offered) to a new address, which was further away from the school, and the child would not have qualified for a place under the distance criterion.

If a family moves between the application and the date of offer, the Admissions & Education Sufficiency Team must be informed as soon as possible of these circumstances.

If the home address is a flat (or apartment) and there is more than one flat at the same address, priority will be given to applicants living at the lowest numbered flat on the lowest floor.

### **4. Oversubscription criteria for Nursery Schools**

Applications for nursery places should be made directly to the school.

If there are more applications than there are nursery places available then places will be allocated using the Oversubscription Criteria in the following order of priority:

**4.1.** Priority for nursery places will be given to children born between 1 September 2020 and 31 August 2021. If places are oversubscribed, the following Oversubscription Criteria will apply:

- 1) Children in Care and all previous children in care, including those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.(see 3.1 below).
- 2) Pupils who have a sibling already in attendance at the school, or paired junior school when the application is made and who will be still attending the school at the proposed admission date. (see 3.2 above)
- 3) Pupils for whom a place at the school is essential on medical or social grounds and supported in writing by a medical practitioner or a Social Worker. (Applications will be subject to verification by the Admissions & Education Sufficiency Team). (see 3.3 above)
- 4) Distance between the home address and the school as measured in a straight line with those living closer to the school receiving the higher priority. (see 3.6 above)

**4.2** Where places are still available schools may only offer places to children who have attained the age of 3. If the remaining places are oversubscribed the Oversubscription Criteria 1-4, shown above, will apply.

If there is oversubscription in criteria 2 and 3, priority will be given to those living closest to the school as measured in a straight line.

## **5. Policy for deferred entry to Reception**

Children reach compulsory school age on the first day of the term following their fifth birthday. However, all Walsall primary schools provide full time places for pupils in a reception class from September in the year before children reach their fifth birthday.

If parents prefer their child to start school later than 1 September 2024, they have the option of deferring the child's entry until later in the 2024/25 school year. Parents opting for this must notify the school in writing of the date they wish their child to start in a reception class.

Parents are not able to defer entry beyond the beginning of the term following their child's fifth birthday or beyond the academic year for which admission is sought.

The effect of this is that the place is held for that child and is not available to be offered to another child.

## **6. Admission of 'summer born' children to Reception**

Summer born children, (born between 1 April and 31 August) reach compulsory school age in the September following their fifth birthday (or on their fifth birthday if it falls on 31 August). Parents of summer born children may submit a request for their child to be admitted to a reception class in the September following their fifth

birthday, at the point at which other children in their age group are moving from the reception class to year 1.

Parents seeking deferred admissions to reception in a community or voluntary controlled primary school should make a request in writing to Walsall Council, providing details of the reason for the request and supporting medical evidence or evidence from the child's current head teacher, if appropriate, demonstrating that deferred admission to Reception would be in the child's best interests.

Requests for deferred admission to Reception in respect of children who would normally be admitted in September 2024, should be submitted by 15 January 2024 where possible.

When an application for deferred admission to reception at the point at which other children in their age group are moving into Year 1 is received for a community or voluntary controlled primary school, Walsall Council, as admission authority for the school, will make the decision on whether or not to grant the request based on the individual circumstances of each case. Requests will only be approved in circumstances where it is in the best interests of the child to defer admission to Reception.

Parents seeking deferred admission to Reception in a voluntary aided school, foundation school or in an academy should submit a request directly to their preferred school. They must also notify the Local Authority in writing of the request and must complete a Local Authority application for the year of admission.

### **Admission to a year group outside of a child's chronological year group.**

Parents who wish to apply for their child to be admitted to a Walsall community or voluntary controlled primary school, in a year group other than that which is designated by their chronological age should submit a written request to Admissions & Education Sufficiency Manager.

Walsall Council, as admission authority for the school, will make the decision on whether or not to grant the request based on the individual circumstances of each case.

Requests will only be approved in circumstances where it is in the best interests of the child to be educated outside of their chronological year group.

Parents wishing to make an application for their child to be admitted out of their chronological year group to a voluntary aided or foundation school or academy, should write to the admission authority for the school. In either case, the letter should include details of why the parents/carers believe it is in the best interests of their child to be educated out of their chronological year group, and should include supporting evidence from an appropriate professional.

Parents applying for midyear admission to a year group outside their child's chronological age, in a Walsall primary school will also need to submit an online midyear admission application to the Local Authority

## Cabinet – 8 February 2023

### Recommendations from Economy and Environment Overview and Scrutiny Committee regarding drone surveillance.

|                            |  |
|----------------------------|--|
| <b>Portfolio:</b>          | Councillor Perry – Deputy Leader & Resilient Communities |
| <b>Related Portfolios:</b> | None   |
| <b>Service:</b>            | Economy, Environment and Communities                     |
| <b>Wards:</b>              | All  |
| <b>Key decision:</b>       | No   |
| <b>Forward plan:</b>       | No   |

#### 1. Aim

To receive a recommendation from the Economy and Environment Overview and Scrutiny Committee made on 24 November 2022 regarding drone surveillance.

#### 2. Recommendations

That Cabinet considers the recommendations of the Economy and Environment Overview and Scrutiny Committee regarding drone surveillance.

#### 3. Report detail – know

At its meeting of 24 November 2022 the Economy and Environment Overview and Scrutiny Committee received a presentation on the use of off-road bikes in the borough.

It was highlighted that Walsall had a particular issue with the use of off-road bikes both on green and open spaces and on the roads around the borough, although some areas were more heavily affected than others. Chief Superintendent Dolby of West Midlands Police was in attendance and advised the Committee that the use of these bikes was illegal but the police themselves had limited resources so could not be fully responsive to all reports of incidents. He also re-iterated that other potential tactics such as tactical pursuits and stingers were of limited use for this particular crime.

The Committee agreed that, following the successful trial of drone surveillance by Community Protection, it would be prudent for the Council to investigate the potential acquisition of an in-house drone service which could be shared with West Midlands Police. Following the discussion the following recommendations were made:

## **Resolved:**

### **That:**

- 1. The Committee notes the presentation and its contents;**
- 2. The Committee recommends Cabinet to investigate the acquisition of a drone or drone service for community protection to use in conjunction with West Midlands Police.**

#### **4. Decide**

The recommendations are asking Cabinet to investigate the acquisition of a drone or drone service for community protection. Cabinet could choose to:

1. undertake the recommendation as set out;
2. reject them;
3. choose to receive a report in more depth at a future Cabinet meeting.

#### **5. Respond**

Following the decision of Cabinet the Economy and Environment Overview and Scrutiny Committee will be advised of the outcome of their recommendation.

#### **6. Review**

Subject to the decision of Cabinet further reports at Economy and Environment Overview and Scrutiny Committee meetings or Cabinet meetings may be required.

### **Background papers**

None

### **Author**

Sian Lloyd  
Democratic Services Officer  
☎ 01922 655943  
✉ [sian.lloyd@walsall.gov.uk](mailto:sian.lloyd@walsall.gov.uk)